

MARCUM
ACCOUNTANTS ▲ ADVISORS

JULY 25, 2017

JAMES DOWNEY
GRIFFIN HOSPITAL
130 DIVISION STREET
DERBY, CT 06418

DEAR JIM:

ENCLOSED ARE THE ORGANIZATION'S 2015 EXEMPT ORGANIZATION RETURNS. THE STATE EXEMPT ORGANIZATION RETURNS ARE 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, 2017.

FORM 990-T RETURN:

NO AMOUNT IS DUE ON FORM 990-T.

PLEASE SIGN AND MAIL ON OR BEFORE AUGUST 15, 2017.

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

CONNECTICUT FORM CT-990T RETURN:

THE CONNECTICUT FORM CT-990T SHOULD BE MAILED ON OR BEFORE AUGUST 15, 2017 TO:

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

NO PAYMENT IS REQUIRED AS THERE IS A REFUND IN THE AMOUNT OF



MARCUMGROUP
MEMBER

\$1,125.00.

MASSACHUSETTS FORM M-990T RETURN:

THE MASSACHUSETTS FORM M-990T SHOULD BE MAILED ON OR BEFORE
AUGUST 15, 2017 TO:

MASS. DEPARTMENT OF REVENUE
P.O. BOX 7067
BOSTON, MA 02204

NO PAYMENT IS REQUIRED.

NORTH CAROLINA FORM CD-405 RETURN:

MAIL TO - NORTH CAROLINA DEPARTMENT OF REVENUE
P.O. BOX 25000
RALEIGH, NC 27640-0640

PLEASE SIGN AND MAIL FORM CD-405 ON OR BEFORE AUGUST 15,
2017.

NO PAYMENT IS REQUIRED

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

TAX OR PROFESSIONAL ADVICE CONTAINED IN OR ACCOMPANYING THIS
DOCUMENT, UNLESS OTHERWISE SPECIFICALLY STATED, IS NOT
INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, FOR THE
PURPOSE OF (I) AVOIDING PENALTIES UNDER THE INTERNAL REVENUE
CODE, OR (II) PROMOTING, MARKETING, OR RECOMMENDING TO
ANOTHER PARTY ANY TRANSACTION OR MATTER THAT IS CONTAINED IN
OR ACCOMPANYING THIS DOCUMENT. IN ADDITION, UNLESS OTHERWISE
SPECIFICALLY STATED, ANY ADVICE PROVIDED SHALL NOT BE DEEMED
A FORMAL TAX OPINION UPON WHICH THE ADDRESSEE CAN RELY.

WE SINCERELY APPRECIATE THE OPPORTUNITY TO SERVE YOU. IF YOU
HAVE ANY QUESTIONS REGARDING THE RETURNS, PLEASE DO NOT
HESITATE TO CALL.

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

VERY TRULY YOURS,

DOUGLAS J. FARRINGTON
MARCUM LLP

Form **8879-EO**

IRS e-file Signature Authorization for an Exempt Organization

OMB No. 1545-1878

For calendar year 2015, or fiscal year beginning OCT 1, 2015, and ending SEP 30, 2016

2015

Department of the Treasury
Internal Revenue Service

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

▶ **Information about Form 8879-EO and its instructions is at www.irs.gov/form8879eo.**

Name of exempt organization

Employer identification number

GRIFFIN HOSPITAL

06-0647014

Name and title of officer

**JAMES DOWNEY
CONTROLLER**

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>171,966,646.</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 2015 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 47014
ERO firm name Enter five numbers, but do not enter all zeros

as my signature on the organization's tax year 2015 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 2015 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I will enter my PIN on the return's disclosure consent screen.

Officer's signature ▶ _____ Date ▶ _____

Part III Certification and Authentication

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

06411606103

do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2015 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**

Form **990**

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

OMB No. 1545-0047

2015
Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

A For the 2015 calendar year, or tax year beginning **OCT 1, 2015** and ending **SEP 30, 2016**

| | | |
|--|--|---|
| B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending | C Name of organization GRIFFIN HOSPITAL Doing business as Number and street (or P.O. box if mail is not delivered to street address) Room/suite 130 DIVISION STREET City or town, state or province, country, and ZIP or foreign postal code DERBY, CT 06418 F Name and address of principal officer: PATRICK CHARMEL SAME AS C ABOVE | D Employer identification number 06-0647014 E Telephone number 203-732-7528 G Gross receipts \$ 171,966,646. H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) H(c) Group exemption number ▶ |
| I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527 | | |
| J Website: ▶ GRIFFINHEALTH.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: 1908 | | M State of legal domicile: CT |

Part I Summary

| Activities & Governance | 1 Briefly describe the organization's mission or most significant activities: GRIFFIN HOSPITAL IS COMMITTED TO PROVIDING PERSONALIZED, HUMANISTIC, CONSUMER-DRIVEN HEALTH CARE IN 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 20 4 Number of independent voting members of the governing body (Part VI, line 1b) 4 14 5 Total number of individuals employed in calendar year 2015 (Part V, line 2a) 5 1577 6 Total number of volunteers (estimate if necessary) 6 340 7a Total unrelated business revenue from Part VIII, column (C), line 12 7a 618,545. 7b Net unrelated business taxable income from Form 990-T, line 34 7b -35,750. | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|---|--|---------------------------|--------------|---|--------------|--------------|---|--------------|--------------|--|--------------|--------------|--|------------|------------|--|--------------|--------------|---|--------------|--------------|--|------------|-------------|--|
| Revenue | <table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">Prior Year</th> <th style="text-align: center;">Current Year</th> </tr> </thead> <tbody> <tr> <td>8 Contributions and grants (Part VIII, line 1h)</td> <td style="text-align: right;">2,304,322.</td> <td style="text-align: right;">2,104,693.</td> </tr> <tr> <td>9 Program service revenue (Part VIII, line 2g)</td> <td style="text-align: right;">147,861,773.</td> <td style="text-align: right;">167,363,786.</td> </tr> <tr> <td>10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)</td> <td style="text-align: right;">390,781.</td> <td style="text-align: right;">349,434.</td> </tr> <tr> <td>11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)</td> <td style="text-align: right;">2,517,335.</td> <td style="text-align: right;">2,148,733.</td> </tr> <tr> <td>12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)</td> <td style="text-align: right;">153,074,211.</td> <td style="text-align: right;">171,966,646.</td> </tr> </tbody> </table> | | Prior Year | Current Year | 8 Contributions and grants (Part VIII, line 1h) | 2,304,322. | 2,104,693. | 9 Program service revenue (Part VIII, line 2g) | 147,861,773. | 167,363,786. | 10 Investment income (Part VIII, column (A), lines 3, 4, and 7d) | 390,781. | 349,434. | 11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) | 2,517,335. | 2,148,733. | 12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12) | 153,074,211. | 171,966,646. | | | | | | | |
| | Prior Year | Current Year | | | | | | | | | | | | | | | | | | | | | | | | |
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| 10 Investment income (Part VIII, column (A), lines 3, 4, and 7d) | 390,781. | 349,434. | | | | | | | | | | | | | | | | | | | | | | | | |
| 11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) | 2,517,335. | 2,148,733. | | | | | | | | | | | | | | | | | | | | | | | | |
| 12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12) | 153,074,211. | 171,966,646. | | | | | | | | | | | | | | | | | | | | | | | | |
| Expenses | <table border="1" style="width:100%; border-collapse: collapse;"> <tbody> <tr> <td>13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)</td> <td style="text-align: right;">0.</td> <td style="text-align: right;">0.</td> </tr> <tr> <td>14 Benefits paid to or for members (Part IX, column (A), line 4)</td> <td style="text-align: right;">0.</td> <td style="text-align: right;">0.</td> </tr> <tr> <td>15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)</td> <td style="text-align: right;">77,228,070.</td> <td style="text-align: right;">83,138,243.</td> </tr> <tr> <td>16a Professional fundraising fees (Part IX, column (A), line 11e)</td> <td style="text-align: right;">0.</td> <td style="text-align: right;">0.</td> </tr> <tr> <td>b Total fundraising expenses (Part IX, column (D), line 25) ▶ 0.</td> <td></td> <td></td> </tr> <tr> <td>17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)</td> <td style="text-align: right;">67,748,671.</td> <td style="text-align: right;">73,706,348.</td> </tr> <tr> <td>18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)</td> <td style="text-align: right;">144,976,741.</td> <td style="text-align: right;">156,844,591.</td> </tr> <tr> <td>19 Revenue less expenses. Subtract line 18 from line 12</td> <td style="text-align: right;">8,097,470.</td> <td style="text-align: right;">15,122,055.</td> </tr> </tbody> </table> | 13 Grants and similar amounts paid (Part IX, column (A), lines 1-3) | 0. | 0. | 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) | 77,228,070. | 83,138,243. | 16a Professional fundraising fees (Part IX, column (A), line 11e) | 0. | 0. | b Total fundraising expenses (Part IX, column (D), line 25) ▶ 0. | | | 17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e) | 67,748,671. | 73,706,348. | 18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25) | 144,976,741. | 156,844,591. | 19 Revenue less expenses. Subtract line 18 from line 12 | 8,097,470. | 15,122,055. | |
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| 15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10) | 77,228,070. | 83,138,243. | | | | | | | | | | | | | | | | | | | | | | | | |
| 16a Professional fundraising fees (Part IX, column (A), line 11e) | 0. | 0. | | | | | | | | | | | | | | | | | | | | | | | | |
| b Total fundraising expenses (Part IX, column (D), line 25) ▶ 0. | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e) | 67,748,671. | 73,706,348. | | | | | | | | | | | | | | | | | | | | | | | | |
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| 19 Revenue less expenses. Subtract line 18 from line 12 | 8,097,470. | 15,122,055. | | | | | | | | | | | | | | | | | | | | | | | | |
| Net Assets or Fund Balances | <table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">Beginning of Current Year</th> <th style="text-align: center;">End of Year</th> </tr> </thead> <tbody> <tr> <td>20 Total assets (Part X, line 16)</td> <td style="text-align: right;">115,933,017.</td> <td style="text-align: right;">117,119,256.</td> </tr> <tr> <td>21 Total liabilities (Part X, line 26)</td> <td style="text-align: right;">145,509,400.</td> <td style="text-align: right;">147,254,744.</td> </tr> <tr> <td>22 Net assets or fund balances. Subtract line 21 from line 20</td> <td style="text-align: right;">-29,576,383.</td> <td style="text-align: right;">-30,135,488.</td> </tr> </tbody> </table> | | Beginning of Current Year | End of Year | 20 Total assets (Part X, line 16) | 115,933,017. | 117,119,256. | 21 Total liabilities (Part X, line 26) | 145,509,400. | 147,254,744. | 22 Net assets or fund balances. Subtract line 21 from line 20 | -29,576,383. | -30,135,488. | | | | | | | | | | | | | |
| | Beginning of Current Year | End of Year | | | | | | | | | | | | | | | | | | | | | | | | |
| 20 Total assets (Part X, line 16) | 115,933,017. | 117,119,256. | | | | | | | | | | | | | | | | | | | | | | | | |
| 21 Total liabilities (Part X, line 26) | 145,509,400. | 147,254,744. | | | | | | | | | | | | | | | | | | | | | | | | |
| 22 Net assets or fund balances. Subtract line 21 from line 20 | -29,576,383. | -30,135,488. | | | | | | | | | | | | | | | | | | | | | | | | |

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 JAMES DOWNEY, CONTROLLER Type or print name and title | Date |
| Paid Preparer Use Only | Print/Type preparer's name DOUGLAS FARRINGTON | Preparer's signature Date Check if self-employed <input type="checkbox"/> PTIN P00370668 |
| | Firm's name ▶ MARCUM LLP Firm's address ▶ CITY PLACE II 185 ASYLUM STREET HARTFORD, CT 06103 | Firm's EIN ▶ 11-1986323 Phone no. 860-760-0600 |

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission:
GRIFFIN HOSPITAL IS COMMITTED TO PROVIDING PERSONALIZED, HUMANISTIC, CONSUMER-DRIVEN HEALTH CARE IN A HEALING ENVIRONMENT, TO EMPOWERING INDIVIDUALS TO BE ACTIVELY INVOLVED IN DECISIONS AFFECTING THEIR CARE AND WELL-BEING THROUGH ACCESS TO INFORMATION AND EDUCATION, AND TO

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
If "Yes," describe these new services on Schedule O.

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

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

4a (Code:) (Expenses \$ 119,219,198. including grants of \$) (Revenue \$ 149,246,444.)
GRIFFIN HOSPITAL IS AN ACUTE CARE HOSPITAL PROVIDING MEDICAL CARE TO PATIENTS IN COMMUNITIES SERVED, INCLUDING SUBSIDIZED CARE, CHARITY CARE, AND EDUCATIONAL SERVICES TO HEALTH PROFESSIONALS TO HELP PREPARE THE NEXT GENERATION OF CAREGIVERS.

4b (Code:) (Expenses \$ 3,858,009. including grants of \$) (Revenue \$ 13,618,961.)
PROVIDE CANCER RELATED RADIOLOGY SERVICES TO THE COMMUNITY.

4c (Code:) (Expenses \$ 1,492,468. including grants of \$) (Revenue \$ 3,974,581.)
PROVIDE PSYCHIATRIC SERVICES TO THE COMMUNITY ON AN OUTPATIENT BASIS.

4d Other program services (Describe in Schedule O.)
(Expenses \$ 664,525. including grants of \$) (Revenue \$ 1,301,423.)

4e Total program service expenses 125,234,200.

Part IV Checklist of Required Schedules

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

Part IV Checklist of Required Schedules (continued)

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

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

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

Main form table with columns for question numbers (1a-14b), Yes/No checkboxes, and numerical input fields. Includes questions about Form 1096, Form W-2G, Form W-3, and various IRS forms like 8886-T, 8899, and 720.

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

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

Section A. Governing Body and Management

Table with 3 columns: Question, Yes, No. Rows include: 1a (20), 1b (14), 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 CT
18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. [] Own website [] Another's website [X] Upon request [] Other (explain in Schedule O)
19 Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
20 State the name, address, and telephone number of the person who possesses the organization's books and records: JAMES DOWNEY - 203-732-7528 130 DIVISION STREET, DERBY, CT 06418

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

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

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

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

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

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

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

| (A) Name and Title | (B) Average hours per week (list any hours for related organizations below line) | (C) Position (do not check more than one box, unless person is both an officer and a director/trustee) | | | | | | (D) Reportable compensation from the organization (W-2/1099-MISC) | (E) Reportable compensation from related organizations (W-2/1099-MISC) | (F) Estimated amount of other compensation from the organization and related organizations |
|---|---|---|-----------------------|---------|--------------|------------------------------|--------|--|---|---|
| | | Individual trustee or director | Institutional trustee | Officer | Key employee | Highest compensated employee | Former | | | |
| (1) JOSEPH ANDREANA TRUSTEE | 0.23 0.23 | X | | | | | | 0. | 0. | 0. |
| (2) JOHN AVERSA, JR., D.O. TRUSTEE | 0.23 0.23 | X | | | | | | 0. | 0. | 0. |
| (3) FREDERICK BROWNE, M.D. TRUSTEE | 0.23 40.23 | X | | | | | | 0. | 328,315. | 13,026. |
| (4) KENNETH BALDYGA CHAIRMAN | 0.23 0.46 | X | | X | | | | 0. | 0. | 0. |
| (5) JOHN W. BETKOWSKI, III TRUSTEE | 0.23 0.62 | X | | | | | | 0. | 0. | 0. |
| (6) GREGORY BORIS, D.O. TRUSTEE | 0.23 0.15 | X | | | | | | 0. | 0. | 0. |
| (7) PATRICK A. CHARMEL CEO/PRESIDENT | 45.00 5.15 | X | | X | | | | 537,613. | 0. | 25,950. |
| (8) DONNA DIGIANVITTORIO TRUSTEE | 0.23 0.23 | X | | | | | | 0. | 0. | 0. |
| (9) NANCY DINARDO TRUSTEE | 0.23 0.38 | X | | | | | | 0. | 0. | 0. |
| (10) KENNETH J. DOBULER, M.D. TRUSTEE/PHYSICIAN | 40.00 0.23 | X | | | | | | 258,340. | 0. | 8,438. |
| (11) DAVID J. HENDRICKS, M.D. TRUSTEE (RESIGNED 3/29/16) | 0.23 0.23 | X | | | | | | 0. | 0. | 0. |
| (12) JEAN CRUM JONES, MPH, RD TRUSTEE | 0.23 0.46 | X | | | | | | 0. | 0. | 0. |
| (13) THEMIS KLARIDES TRUSTEE | 0.23 0.23 | X | | | | | | 0. | 0. | 0. |
| (14) MICHAEL LAW TRUSTEE | 0.23 0.23 | X | | | | | | 0. | 0. | 0. |
| (15) GEORGE S. LOGAN TRUSTEE | 0.23 0.46 | X | | | | | | 0. | 0. | 0. |
| (16) WM. NEIL PEARSON, M.D. TRUSTEE | 0.23 0.23 | X | | | | | | 44,128. | 0. | 0. |
| (17) MARK PETERSON TRUSTEE | 0.23 0.23 | X | | | | | | 0. | 0. | 0. |

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

| (A) Name and title | (B) Average hours per week (list any hours for related organizations below line) | (C) Position (do not check more than one box, unless person is both an officer and a director/trustee) | | | | | | (D) Reportable compensation from the organization (W-2/1099-MISC) | (E) Reportable compensation from related organizations (W-2/1099-MISC) | (F) Estimated amount of other compensation from the organization and related organizations |
|--|---|---|-----------------------|---------|--------------|------------------------------|--------|--|---|---|
| | | Individual trustee or director | Institutional trustee | Officer | Key employee | Highest compensated employee | Former | | | |
| (18) ROBERT G. REISS TRUSTEE | 0.23 0.46 | X | | | | | | 0. | 0. | 0. |
| (19) GERALD T. WEINER, ESQ. TRUSTEE | 0.23 0.62 | X | | | | | | 0. | 0. | 0. |
| (20) PHILLIP WHITE TRUSTEE | 0.23 0.23 | X | | | | | | 0. | 0. | 0. |
| (21) JOHN J. ZAPRZALKA TRUSTEE | 0.23 0.46 | X | | | | | | 0. | 0. | 0. |
| (22) MARK O'NEILL CFO/VP FINANCE | 40.00 | | | X | | | | 304,966. | 0. | 9,096. |
| (23) MARGARET DEEGAN VP | 40.00 | | | | X | | | 230,756. | 0. | 26,418. |
| (24) TODD LIU VP | 40.00 | | | | X | | | 201,795. | 0. | 21,302. |
| (25) BARBARA STUMPO VP | 40.00 | | | | X | | | 222,218. | 0. | 26,542. |
| (26) KATHLEEN MARTIN VP | 40.00 | | | | X | | | 181,380. | 0. | 26,528. |
| 1b Sub-total | | | | | | | | 1,981,196. | 328,315. | 157,300. |
| c Total from continuation sheets to Part VII, Section A | | | | | | | | 1,015,334. | 0. | 117,278. |
| d Total (add lines 1b and 1c) | | | | | | | | 2,996,530. | 328,315. | 274,578. |

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 **94**

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

Section B. Independent Contractors

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

| (A) Name and business address | (B) Description of services | (C) Compensation |
|--|--------------------------------|---------------------|
| CONNECTICUT EMERGENCY MEDICINE PO BOX 271618, WEST HARTFORD, CT 06127 | MEDICAL SERVICES | 2,959,019. |
| UNIDINE CORPORATION 75 REMITTANCE DRIVE, CHICAGO, IL 60675 | DINING SERVICES | 1,906,907. |
| GRIFFIN PATHOLOGY CONSULTANTS 1140 FAIRFIELD AVENUE, BRIDGEPORT, CT 06605 | MEDICAL SERVICES | 919,044. |
| H & H LINEN SERVICES, INC., 60 BELAMOSE AVE, STE 2, ROCKY HILL, CT 06067 | LAUNDRY SERVICES | 760,952. |
| QUEST DIAGNOSTICS 2025 COLLECTION CENTER, CHICAGO, IL 60693 | LABORATORY SERVICES | 557,934. |

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 **29**

SEE PART VII, SECTION A CONTINUATION SHEETS

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

| (A) Name and title | (B) Average hours per week (list any hours for related organizations below line) | (C) Position (check all that apply) | | | | | | (D) Reportable compensation from the organization (W-2/1099-MISC) | (E) Reportable compensation from related organizations (W-2/1099-MISC) | (F) Estimated amount of other compensation from the organization and related organizations |
|---|---|--|-----------------------|---------|--------------|------------------------------|--------|--|---|---|
| | | Individual trustee or director | Institutional trustee | Officer | Key employee | Highest compensated employee | Former | | | |
| (27) BENJAMIN ZIGUN MD | 40.00 | | | | | X | | 258,185. | 0. | 21,784. |
| (28) EDWARD HALSTEAD MD | 40.00 | | | | | X | | 236,224. | 0. | 26,146. |
| (29) MIHAELA BORAN MD | 40.00 | | | | | X | | 211,548. | 0. | 23,630. |
| (30) SUSAN BOUTON RN | 40.00 | | | | | X | | 154,901. | 0. | 21,270. |
| (31) STEPHEN MORDECAI DIRECTOR OF HR | 40.00 | | | | | X | | 154,476. | 0. | 24,448. |
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| | | | | | | | | | | |
| Total to Part VII, Section A, line 1c | | | | | | | | 1,015,334. | | 117,278. |

532201
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Part VIII Statement of Revenue

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

| | | | | (A) | (B) | (C) | (D) | |
|--|---|---|----------------------|---------------|------------------------------------|----------------------------|--|----------|
| | | | | Total revenue | Related or exempt function revenue | Unrelated business revenue | Revenue excluded from tax under sections 512 - 514 | |
| Contributions, Gifts, Grants and Other Similar Amounts | 1 a Federated campaigns | 1a | | | | | | |
| | b Membership dues | 1b | | | | | | |
| | c Fundraising events | 1c | | | | | | |
| | d Related organizations | 1d | | | | | | |
| | e Government grants (contributions) | 1e | 1,770,261. | | | | | |
| | f All other contributions, gifts, grants, and similar amounts not included above | 1f | 334,432. | | | | | |
| | g Noncash contributions included in lines 1a-1f: \$ | | | | | | | |
| | h Total. Add lines 1a-1f | | | 2,104,693. | | | | |
| | Program Service Revenue | 2 a PATIENT SERVICE REVENUE | Business Code | 622110 | 160,938,256. | 160,333,412. | 604,844. | |
| b STATE SUPPLEMENTAL REVENUE | | | 900099 | 4,948,647. | 4,948,647. | | | |
| c OTHER PROGRAM SERVICES | | | 621500 | 1,242,924. | 1,242,924. | | | |
| d TUITION/EDUCATION REVENUE | | | 900099 | 233,959. | 233,959. | | | |
| e | | | | | | | | |
| f All other program service revenue | | | | | | | | |
| g Total. Add lines 2a-2f | | | | 167,363,786. | | | | |
| Other Revenue | | 3 Investment income (including dividends, interest, and other similar amounts) | | | 335,251. | | | 335,251. |
| | 4 Income from investment of tax-exempt bond proceeds | | | | | | | |
| | 5 Royalties | | | | | | | |
| | 6 a Gross rents | (i) Real | 331,408. | | | | | |
| | | (ii) Personal | | | | | | |
| | | Less: rental expenses | 0. | | | | | |
| | c Rental income or (loss) | | 331,408. | | | | | |
| | d Net rental income or (loss) | | | 331,408. | | | 331,408. | |
| | 7 a Gross amount from sales of assets other than inventory | (i) Securities | 11,483. | (ii) Other | 2,700. | | | |
| | | Less: cost or other basis and sales expenses | 0. | | 0. | | | |
| | | c Gain or (loss) | 11,483. | | 2,700. | | | |
| | | d Net gain or (loss) | | | 14,183. | | | 14,183. |
| | 8 a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18 | a | | | | | | |
| | | b Less: direct expenses | b | | | | | |
| | | c Net income or (loss) from fundraising events | | | | | | |
| 9 a Gross income from gaming activities. See Part IV, line 19 | a | | | | | | | |
| | b Less: direct expenses | b | | | | | | |
| | c Net income or (loss) from gaming activities | | | | | | | |
| 10 a Gross sales of inventory, less returns and allowances | a | | | | | | | |
| | b Less: cost of goods sold | b | | | | | | |
| | c Net income or (loss) from sales of inventory | | | | | | | |
| Miscellaneous Revenue | | | Business Code | | | | | |
| 11 a CAFETERIA INCOME | | 900099 | 989,218. | | | 989,218. | | |
| b OTHER INCOME | | 900099 | 828,107. | 777,623. | 50,484. | | | |
| c | | | | | | | | |
| d All other revenue | | | | | | | | |
| e Total. Add lines 11a-11d | | | 1,817,325. | | | | | |
| 12 Total revenue. See instructions. | | | 171,966,646. | 167,536,565. | 655,328. | 1,670,060. | | |

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

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

| Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII. | (A) Total expenses | (B) Program service expenses | (C) Management and general expenses | (D) Fundraising expenses |
|---|-----------------------|---------------------------------|--|-----------------------------|
| 1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21 | | | | |
| 2 Grants and other assistance to domestic individuals. See Part IV, line 22 | | | | |
| 3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16 | | | | |
| 4 Benefits paid to or for members | | | | |
| 5 Compensation of current officers, directors, trustees, and key employees | 2,225,699. | 356,940. | 1,868,759. | |
| 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 | 60,024,317. | 51,071,477. | 8,952,840. | |
| 8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions) | 174,923. | 169,467. | 5,456. | |
| 9 Other employee benefits | 15,932,521. | 13,267,381. | 2,665,140. | |
| 10 Payroll taxes | 4,780,783. | 3,957,591. | 823,192. | |
| 11 Fees for services (non-employees): | | | | |
| a Management | | | | |
| b Legal | 306,858. | | 306,858. | |
| c Accounting | 244,331. | | 244,331. | |
| d Lobbying | 21,223. | | 21,223. | |
| e Professional fundraising services. See Part IV, line 17 | | | | |
| f Investment management fees | | | | |
| g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.) | 8,095,913. | 5,990,742. | 2,105,171. | |
| 12 Advertising and promotion | 327,622. | 327,622. | | |
| 13 Office expenses | 3,389,448. | 2,573,188. | 816,260. | |
| 14 Information technology | 905,516. | 319,644. | 585,872. | |
| 15 Royalties | | | | |
| 16 Occupancy | 3,499,643. | 2,641,297. | 858,346. | |
| 17 Travel | 318,159. | 91,759. | 226,400. | |
| 18 Payments of travel or entertainment expenses for any federal, state, or local public officials | | | | |
| 19 Conferences, conventions, and meetings | | | | |
| 20 Interest | 2,128,918. | 1,885,480. | 243,438. | |
| 21 Payments to affiliates | | | | |
| 22 Depreciation, depletion, and amortization | 4,253,884. | 3,305,311. | 948,573. | |
| 23 Insurance | 1,770,484. | 1,362,304. | 408,180. | |
| 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 & DRUG SUPPLIES | 26,421,609. | 26,394,255. | 27,354. | |
| b STATE HOSPITAL TAX EXP | 7,583,772. | | 7,583,772. | |
| c PHYSICIAN FEES | 5,113,922. | 4,378,831. | 735,091. | |
| d GRANT EXPENSES | 2,103,848. | 2,103,848. | | |
| e All other expenses | 7,221,198. | 5,037,063. | 2,184,135. | |
| 25 Total functional expenses. Add lines 1 through 24e | 156,844,591. | 125,234,200. | 31,610,391. | 0. |
| 26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. | | | | |

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

Part X Balance Sheet

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

| | | (A) | | (B) | |
|---|--|-------------------------|--------------|--------------|-------------|
| | | Beginning of year | | End of year | |
| Assets | 1 Cash - non-interest-bearing | 962. | 1 | 962. | |
| | 2 Savings and temporary cash investments | 6,771,172. | 2 | 8,451,571. | |
| | 3 Pledges and grants receivable, net | | 3 | | |
| | 4 Accounts receivable, net | 13,268,952. | 4 | 13,410,622. | |
| | 5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L | | 5 | | |
| | 6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instr). Complete Part II of Sch L | | 6 | | |
| | 7 Notes and loans receivable, net | | 7 | | |
| | 8 Inventories for sale or use | 938,379. | 8 | 993,432. | |
| | 9 Prepaid expenses and deferred charges | 2,650,944. | 9 | 1,400,243. | |
| | 10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D | 10a 154,614,919. | | | |
| | b Less: accumulated depreciation | 10b 102,648,545. | 51,622,810. | 10c | 51,966,374. |
| | 11 Investments - publicly traded securities | 14,161,460. | 11 | 14,189,308. | |
| | 12 Investments - other securities. See Part IV, line 11 | 3,450,227. | 12 | 3,581,854. | |
| | 13 Investments - program-related. See Part IV, line 11 | | 13 | | |
| | 14 Intangible assets | | 14 | | |
| | 15 Other assets. See Part IV, line 11 | 23,068,111. | 15 | 23,124,890. | |
| 16 Total assets. Add lines 1 through 15 (must equal line 34) | 115,933,017. | 16 | 117,119,256. | | |
| Liabilities | 17 Accounts payable and accrued expenses | 24,726,374. | 17 | 22,968,934. | |
| | 18 Grants payable | | 18 | | |
| | 19 Deferred revenue | 157,449. | 19 | 430,074. | |
| | 20 Tax-exempt bond liabilities | 44,033,321. | 20 | 41,741,449. | |
| | 21 Escrow or custodial account liability. Complete Part IV of Schedule D | | 21 | | |
| | 22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L | | 22 | | |
| | 23 Secured mortgages and notes payable to unrelated third parties | | 23 | | |
| | 24 Unsecured notes and loans payable to unrelated third parties | 2,140,557. | 24 | 1,563,518. | |
| | 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 | 74,451,699. | 25 | 80,550,769. | |
| | 26 Total liabilities. Add lines 17 through 25 | 145,509,400. | 26 | 147,254,744. | |
| Net Assets or Fund Balances | Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34. | | | | |
| | 27 Unrestricted net assets | -39,254,442. | 27 | -38,610,232. | |
| | 28 Temporarily restricted net assets | 4,067,571. | 28 | 2,732,629. | |
| | 29 Permanently restricted net assets | 5,610,488. | 29 | 5,742,115. | |
| | Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34. | | | | |
| | 30 Capital stock or trust principal, or current funds | | 30 | | |
| | 31 Paid-in or capital surplus, or land, building, or equipment fund | | 31 | | |
| | 32 Retained earnings, endowment, accumulated income, or other funds | | 32 | | |
| | 33 Total net assets or fund balances | -29,576,383. | 33 | -30,135,488. | |
| 34 Total liabilities and net assets/fund balances | 115,933,017. | 34 | 117,119,256. | | |

Part XI Reconciliation of Net Assets

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

| | | | |
|----|--|----|--------------|
| 1 | Total revenue (must equal Part VIII, column (A), line 12) | 1 | 171,966,646. |
| 2 | Total expenses (must equal Part IX, column (A), line 25) | 2 | 156,844,591. |
| 3 | Revenue less expenses. Subtract line 2 from line 1 | 3 | 15,122,055. |
| 4 | Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) | 4 | -29,576,383. |
| 5 | Net unrealized gains (losses) on investments | 5 | 469,115. |
| 6 | Donated services and use of facilities | 6 | |
| 7 | Investment expenses | 7 | |
| 8 | Prior period adjustments | 8 | |
| 9 | Other changes in net assets or fund balances (explain in Schedule O) | 9 | -16,150,275. |
| 10 | Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B)) | 10 | -30,135,488. |

Part XII Financial Statements and Reporting

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

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

Form 990 (2015)

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No. 1545-0047

2015

Open to Public Inspection

| | |
|---|---|
| Name of the organization GRIFFIN HOSPITAL | Employer identification number 06-0647014 |
|---|---|

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 (Form 990 or 990-EZ).)
- 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state: _____
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
- 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 8 A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 9 An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III.)
- 10 An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
- 11 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2)**. See **section 509(a)(3)**. Check the box in lines 11a through 11d that describes the type of supporting organization and complete lines 11e, 11f, and 11g.
 - a **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**
 - b **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**
 - c **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**
 - d **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**
 - e Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.
 - f Enter the number of supported organizations
 - g Provide the following information about the supported organization(s).

| (i) Name of supported organization | (ii) EIN | (iii) Type of organization (described on lines 1-9 above (see instructions)) | (iv) Is the organization listed in your governing document? | | (v) Amount of monetary support (see instructions) | (vi) Amount of other support (see instructions) |
|------------------------------------|----------|--|---|----|---|---|
| | | | Yes | No | | |
| | | | | | | |
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| | | | | | | |
| 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) 2011 | (b) 2012 | (c) 2013 | (d) 2014 | (e) 2015 | (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) 2011 | (b) 2012 | (c) 2013 | (d) 2014 | (e) 2015 | (f) Total |
|--|----------|----------|----------|----------|----------|--------------------------|
| 7 Amounts from line 4 | | | | | | |
| 8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources ... | | | | | | |
| 9 Net income from unrelated business activities, whether or not the business is regularly carried on ... | | | | | | |
| 10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.) | | | | | | |
| 11 Total support. Add lines 7 through 10 | | | | | | |
| 12 Gross receipts from related activities, etc. (see instructions) | | | | | 12 | |
| 13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here | | | | | | <input type="checkbox"/> |

Section C. Computation of Public Support Percentage

| | | |
|---|----|--------------------------|
| 14 Public support percentage for 2015 (line 6, column (f) divided by line 11, column (f)) | 14 | % |
| 15 Public support percentage from 2014 Schedule A, Part II, line 14 | 15 | % |
| 16a 33 1/3% support test - 2015. 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 - 2014. 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 - 2015. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization | | <input type="checkbox"/> |
| b 10% -facts-and-circumstances test - 2014. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization | | <input type="checkbox"/> |
| 18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions | | <input type="checkbox"/> |

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

(Complete only if you checked the box on line 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) 2011 | (b) 2012 | (c) 2013 | (d) 2014 | (e) 2015 | (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) 2011 | (b) 2012 | (c) 2013 | (d) 2014 | (e) 2015 | (f) Total |
|---|----------|----------|----------|----------|----------|-----------|
| 9 Amounts from line 6 | | | | | | |
| 10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources ... | | | | | | |
| b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 | | | | | | |
| c Add lines 10a and 10b | | | | | | |
| 11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on | | | | | | |
| 12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.) | | | | | | |
| 13 Total support. (Add lines 9, 10c, 11, and 12.) | | | | | | |

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

Section C. Computation of Public Support Percentage

| | | |
|--|-----------|---|
| 15 Public support percentage for 2015 (line 8, column (f) divided by line 13, column (f)) | 15 | % |
| 16 Public support percentage from 2014 Schedule A, Part III, line 15 | 16 | % |

Section D. Computation of Investment Income Percentage

| | | |
|---|-----------|---|
| 17 Investment income percentage for 2015 (line 10c, column (f) divided by line 13, column (f)) | 17 | % |
| 18 Investment income percentage from 2014 Schedule A, Part III, line 17 | 18 | % |

19a 33 1/3% support tests - 2015. 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 - 2014. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions

Part IV Supporting Organizations

(Complete only if you checked a box in line 11 on Part I. If you checked 11a of Part I, complete Sections A and B. If you checked 11b of Part I, complete Sections A and C. If you checked 11c of Part I, complete Sections A, D, and E. If you checked 11d of Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

| | Yes | No |
|--|-----|----|
| 1 Are all of the organization's supported organizations listed by name in the organization's governing documents? <i>If "No" describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.</i> | | |
| 2 Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? <i>If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).</i> | | |
| 3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? <i>If "Yes," answer (b) and (c) below.</i> | | |
| b Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? <i>If "Yes," describe in Part VI when and how the organization made the determination.</i> | | |
| c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? <i>If "Yes," explain in Part VI what controls the organization put in place to ensure such use.</i> | | |
| 4a Was any supported organization not organized in the United States ("foreign supported organization")? <i>If "Yes," and if you checked 11a or 11b in Part I, answer (b) and (c) below.</i> | | |
| b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? <i>If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.</i> | | |
| c Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? <i>If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.</i> | | |
| 5a Did the organization add, substitute, or remove any supported organizations during the tax year? <i>If "Yes," answer (b) and (c) below (if applicable). Also, provide detail in Part VI, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document).</i> | | |
| b Type I or Type II only. Was any added or substituted supported organization part of a class already designated in the organization's organizing document? | | |
| c Substitutions only. Was the substitution the result of an event beyond the organization's control? | | |
| 6 Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? <i>If "Yes," provide detail in Part VI.</i> | | |
| 7 Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i> | | |
| 8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i> | | |
| 9a Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? <i>If "Yes," provide detail in Part VI.</i> | | |
| b Did one or more disqualified persons (as defined in line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? <i>If "Yes," provide detail in Part VI.</i> | | |
| c Did a disqualified person (as defined in line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? <i>If "Yes," provide detail in Part VI.</i> | | |
| 10a Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? <i>If "Yes," answer 10b below.</i> | | |
| b Did the organization have any excess business holdings in the tax year? <i>(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)</i> | | |

Part IV Supporting Organizations (continued)

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

Section B. Type I Supporting Organizations

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

Section C. Type II Supporting Organizations

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

Section D. All Type III Supporting Organizations

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

Section E. Type III Functionally-Integrated Supporting Organizations

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

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

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

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

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

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

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

| Section D - Distributions | Current Year |
|---|--------------|
| 1 Amounts paid to supported organizations to accomplish exempt purposes | |
| 2 Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity | |
| 3 Administrative expenses paid to accomplish exempt purposes of supported organizations | |
| 4 Amounts paid to acquire exempt-use assets | |
| 5 Qualified set-aside amounts (prior IRS approval required) | |
| 6 Other distributions (describe in Part VI). See instructions. | |
| 7 Total annual distributions. Add lines 1 through 6. | |
| 8 Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI). See instructions. | |
| 9 Distributable amount for 2015 from Section C, line 6 | |
| 10 Line 8 amount divided by Line 9 amount | |

| Section E - Distribution Allocations (see instructions) | (i) Excess Distributions | (ii) Underdistributions Pre-2015 | (iii) Distributable Amount for 2015 |
|--|-----------------------------|--|---|
| 1 Distributable amount for 2015 from Section C, line 6 | | | |
| 2 Underdistributions, if any, for years prior to 2015 (reasonable cause required-see instructions) | | | |
| 3 Excess distributions carryover, if any, to 2015: | | | |
| a | | | |
| b | | | |
| c | | | |
| d From 2013 | | | |
| e From 2014 | | | |
| f Total of lines 3a through e | | | |
| g Applied to underdistributions of prior years | | | |
| h Applied to 2015 distributable amount | | | |
| i Carryover from 2010 not applied (see instructions) | | | |
| j Remainder. Subtract lines 3g, 3h, and 3i from 3f. | | | |
| 4 Distributions for 2015 from Section D, line 7: \$ | | | |
| a Applied to underdistributions of prior years | | | |
| b Applied to 2015 distributable amount | | | |
| c Remainder. Subtract lines 4a and 4b from 4. | | | |
| 5 Remaining underdistributions for years prior to 2015, if any. Subtract lines 3g and 4a from line 2 (if amount greater than zero, see instructions). | | | |
| 6 Remaining underdistributions for 2015. Subtract lines 3h and 4b from line 1 (if amount greater than zero, see instructions). | | | |
| 7 Excess distributions carryover to 2016. Add lines 3j and 4c. | | | |
| 8 Breakdown of line 7: | | | |
| a | | | |
| b | | | |
| c Excess from 2013 | | | |
| d Excess from 2014 | | | |
| e Excess from 2015 | | | |

Schedule A (Form 990 or 990-EZ) 2015

Part VI

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

Multiple horizontal lines for supplemental information.

Schedule B

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

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

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

OMB No. 1545-0047

2015

Name of the organization

GRIFFIN HOSPITAL

Employer identification number

06-0647014

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

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

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

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

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

501(c)(3) taxable private foundation

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

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

General Rule

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

Special Rules

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

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

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

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

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF. Schedule B (Form 990, 990-EZ, or 990-PF) (2015)

| | |
|---|---|
| Name of organization GRIFFIN HOSPITAL | Employer identification number 06-0647014 |
|---|---|

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 | CDC-NATIONAL CENTER FOR CHRONIC DISEASE PREVENTION AND HEALTH PROMO 2920 BRANDYWINE ROAD, SUITE 3000 ATLANTA, GA 30341 | \$ 706,334. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.) |
| 2 | DEPT OF HEALTH AND HUMAN SVCS-HEALTH RESOURCES AND SERVICES ADMIN (HRSA) 5600 FISHERS LANE ROCKVILLE, MD 20852-1750 | \$ 961,089. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.) |
| 3 | STATE OF CT - DEPARTMENT OF LABOR 38 WOLCOTT ROAD WETHERSFIELD, CT 06109 | \$ 74,312. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.) |
| 4 | STATE OF CT - DEPARTMENT OF PUBLIC HEALTH 410 CAPITAL AVENUE HARTFORD, CT 06134 | \$ 25,687. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.) |
| 5 | AMERICAN CANCER SOCIETY FOUNDATION 1599 CLIFTON ROAD NE ATLANTA, GA 30329-4251 | \$ 102,400. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.) |
| 6 | EGG NUTRITION CENTER 1460 RENAISSANCE DRIVE, SUITE 314 PARK RIDGE, IL 60068 | \$ 16,048. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.) |

| | |
|---|---|
| Name of organization GRIFFIN HOSPITAL | Employer identification number 06-0647014 |
|---|---|

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 | EVERIST GENOMICS, INC. 709 WEST ELLSWORTH AVE., SUITE 200 ANN ARBOR, MI 48108 | \$ 94,429. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.) |
| 8 | TURN THE TIDE, INC. 130 DIVISION STREET, 2ND FLOOR DERBY, CT 06418 | \$ 116,645. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.) |
| _____ | _____ _____ _____ | \$ _____ | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.) |
| _____ | _____ _____ _____ | \$ _____ | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.) |
| _____ | _____ _____ _____ | \$ _____ | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.) |
| _____ | _____ _____ _____ | \$ _____ | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.) |

| | |
|---|---|
| Name of organization GRIFFIN HOSPITAL | Employer identification number 06-0647014 |
|---|---|

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 |
|------------------------------|--|--|----------------------|
| | | \$ _____ | |
| | | \$ _____ | |
| | | \$ _____ | |
| | | \$ _____ | |
| | | \$ _____ | |
| | | \$ _____ | |
| | | \$ _____ | |
| | | \$ _____ | |

| | |
|---|---|
| Name of organization GRIFFIN HOSPITAL | Employer identification number 06-0647014 |
|---|---|

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

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

2015

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

- ▶ **Complete if the organization is described below. ▶ Attach to Form 990 or Form 990-EZ.**
- ▶ **Information about Schedule C (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.**

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

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

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

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

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

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

| | |
|---|---|
| Name of organization GRIFFIN HOSPITAL | Employer identification number 06-0647014 |
|---|---|

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-. |
|----------|-------------|---------|---|--|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
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For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ. Schedule C (Form 990 or 990-EZ) 2015

LHA
532041
10-05-15

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

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

| Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.) | | (a) Filing organization's totals | (b) Affiliated group totals | | | | | | | | | | | | |
|--|--|---|------------------------------------|--------------------|-------------------------------|---|--|---|--|--|---|-------------------|--------------|--|--|
| 1a Total lobbying expenditures to influence public opinion (grass roots lobbying) | | | | | | | | | | | | | | | |
| b Total lobbying expenditures to influence a legislative body (direct lobbying) | | | | | | | | | | | | | | | |
| c Total lobbying expenditures (add lines 1a and 1b) | | | | | | | | | | | | | | | |
| d Other exempt purpose expenditures | | | | | | | | | | | | | | | |
| e Total exempt purpose expenditures (add lines 1c and 1d) | | | | | | | | | | | | | | | |
| f Lobbying nontaxable amount. Enter the amount from the following table in both columns. | | | | | | | | | | | | | | | |
| <table border="1" style="width: 100%;"> <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 separate instructions for lines 2a through 2f.)

| Lobbying Expenditures During 4-Year Averaging Period | | | | | |
|---|----------|----------|----------|----------|-----------|
| Calendar year (or fiscal year beginning in) | (a) 2012 | (b) 2013 | (c) 2014 | (d) 2015 | (e) Total |
| 2a Lobbying nontaxable amount | | | | | |
| b Lobbying ceiling amount (150% of line 2a, column(e)) | | | | | |
| c Total lobbying expenditures | | | | | |
| d Grassroots nontaxable amount | | | | | |
| e Grassroots ceiling amount (150% of line 2d, column (e)) | | | | | |
| f Grassroots lobbying expenditures | | | | | |

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

| For each "Yes," response on lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity. | (a) | | (b) |
|--|-----|----|---------|
| | Yes | No | Amount |
| 1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of: | | | |
| a Volunteers? | | X | |
| b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)? .. | | X | |
| c Media advertisements? | | X | |
| d Mailings to members, legislators, or the public? | | X | |
| e Publications, or published or broadcast statements? | | X | |
| f Grants to other organizations for lobbying purposes? | | X | |
| 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 | | 21,223. |
| j Total. Add lines 1c through 1i | | | 21,223. |
| 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

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

PART II-B, LINE 1, LOBBYING ACTIVITIES:

THE GRIFFIN HOSPITAL PAID FOR MEMBERSHIP DUES TO THE CONNECTICUT HOSPITAL ASSOCIATION. FOR THE FISCAL YEAR ENDED 9/30/2016, \$21,223 OF THE MEMBERSHIP DUES PAID WAS USED FOR LOBBYING ON ISSUES RELEVANT TO THE ORGANIZATION'S EXEMPT PURPOSE.

SCHEDULE D (Form 990)

Department of the Treasury Internal Revenue Service

Supplemental Financial Statements

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

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

OMB No. 1545-0047

2015

Open to Public Inspection

Name of the organization GRIFFIN HOSPITAL

Employer identification number 06-0647014

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

Table with 3 columns: Question, (a) Donor advised funds, (b) Funds and other accounts. Rows include total number at end of year, aggregate values of contributions and grants, and questions about property control and private benefit.

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

Table with 3 columns: Question, Held at the End of the Tax Year (2a-2d), Yes/No. Rows include purpose of easements, number of easements, monitoring policy, and expenses.

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

Table with 3 columns: Question, Revenue, Assets. Rows include reporting requirements for art and historical treasures.

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

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

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

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

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

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

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

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

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

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

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

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

| | (a) Current year | (b) Prior year | (c) Two years back | (d) Three years back | (e) Four years back |
|--|------------------|----------------|--------------------|----------------------|---------------------|
| 1a Beginning of year balance | 3,400,689. | 3,517,730. | 3,409,062. | 3,249,540. | 2,932,333. |
| b Contributions | | | | | |
| c Net investment earnings, gains, and losses | 252,030. | -117,041. | 134,026. | 183,001. | 322,207. |
| d Grants or scholarships | | | | | |
| e Other expenditures for facilities and programs | 373,002. | | 25,358. | 23,479. | 5,000. |
| f Administrative expenses | | | | | |
| g End of year balance | 3,279,717. | 3,400,689. | 3,517,730. | 3,409,062. | 3,249,540. |

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

- a Board designated or quasi-endowment .00 %
- b Permanent endowment 65.87 %
- c Temporarily restricted endowment 34.13 %

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

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

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

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

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

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

Part VI Land, Buildings, and Equipment.

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

| Description of property | (a) Cost or other basis (investment) | (b) Cost or other basis (other) | (c) Accumulated depreciation | (d) Book value |
|--|--------------------------------------|---------------------------------|------------------------------|----------------|
| 1a Land | | 4,002,889. | | 4,002,889. |
| b Buildings | | 75,816,672. | 40,067,137. | 35,749,535. |
| c Leasehold improvements | | | | |
| d Equipment | | 73,367,215. | 61,516,530. | 11,850,685. |
| e Other | | 1,428,143. | 1,064,878. | 363,265. |
| Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.) | | | | 51,966,374. |

Part VII Investments - Other Securities.

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

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

Part VIII Investments - Program Related.

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

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

Part IX Other Assets.

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

| (a) Description | (b) Book value |
|---|----------------|
| (1) OTHER RECEIVABLES | 507,066. |
| (2) DUE FROM AFFILIATES | 7,841,990. |
| (3) OTHER ASSETS & INSURANCE RECOVERABLE | 5,046,027. |
| (4) INTEREST IN NET ASSETS OF AFFILIATES | 7,834,670. |
| (5) INVESTMENT IN AFFILIATE | 1,895,137. |
| (6) | |
| (7) | |
| (8) | |
| (9) | |
| Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶ | 23,124,890. |

Part X Other Liabilities.

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

| 1. (a) Description of liability | (b) Book value |
|---|----------------|
| (1) Federal income taxes | |
| (2) ACCRUED POSTRETIREMENT BENEFIT LIABILITY | 10,366,769. |
| (3) PROFESSIONAL AND GENERAL LIABILITY | |
| (4) LOSS RESERVES | 2,927,302. |
| (5) ACCRUED PENSION LIABILITY | 49,234,443. |
| (6) WORKERS COMPENSATION LOSS RESERVES | 1,906,731. |
| (7) ACCRUED INTEREST PAYABLE | 266,810. |
| (8) | |
| (9) | |
| Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶ | 80,550,769. |

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

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

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

| | | | |
|----------|--|-----------|--------------|
| 1 | Total revenue, gains, and other support per audited financial statements | 1 | 172,408,892. |
| 2 | Amounts included on line 1 but not on Form 990, Part VIII, line 12: | | |
| a | Net unrealized gains (losses) on investments | 2a | 469,115. |
| b | Donated services and use of facilities | 2b | |
| c | Recoveries of prior year grants | 2c | |
| d | Other (Describe in Part XIII.) | 2d | |
| e | Add lines 2a through 2d | 2e | 469,115. |
| 3 | Subtract line 2e from line 1 | 3 | 171,939,777. |
| 4 | Amounts included on Form 990, Part VIII, line 12, but not on line 1: | | |
| a | Investment expenses not included on Form 990, Part VIII, line 7b | 4a | |
| b | Other (Describe in Part XIII.) | 4b | 26,869. |
| c | Add lines 4a and 4b | 4c | 26,869. |
| 5 | Total revenue. Add lines 3 and 4c . (This must equal Form 990, Part I, line 12.) | 5 | 171,966,646. |

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

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

| | | | |
|----------|---|-----------|--------------|
| 1 | Total expenses and losses per audited financial statements | 1 | 154,305,703. |
| 2 | Amounts included on line 1 but not on Form 990, Part IX, line 25: | | |
| a | Donated services and use of facilities | 2a | |
| b | Prior year adjustments | 2b | |
| c | Other losses | 2c | |
| d | Other (Describe in Part XIII.) | 2d | -2,538,888. |
| e | Add lines 2a through 2d | 2e | -2,538,888. |
| 3 | Subtract line 2e from line 1 | 3 | 156,844,591. |
| 4 | Amounts included on Form 990, Part IX, line 25, but not on line 1: | | |
| a | Investment expenses not included on Form 990, Part VIII, line 7b | 4a | |
| b | Other (Describe in Part XIII.) | 4b | |
| c | Add lines 4a and 4b | 4c | 0. |
| 5 | Total expenses. Add lines 3 and 4c . (This must equal Form 990, Part I, line 18.) | 5 | 156,844,591. |

Part XIII Supplemental Information.

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

PART V, LINE 4:

THE HOSPITAL'S ENDOWMENT FUNDS CONSIST OF DONOR RESTRICTED FUNDS TO BE INVESTED IN PERPETUITY TO PROVIDE A PERMANENT SOURCE OF INCOME.

PART X, LINE 2:

THE HOSPITAL AND GFP ARE NOT-FOR-PROFIT ORGANIZATIONS, EXEMPT FROM FEDERAL INCOME TAXES UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE. THE HOSPITAL AND GFP ACCOUNT FOR UNCERTAINTY IN INCOME TAX POSITIONS BY APPLYING A RECOGNITION THRESHOLD AND MEASUREMENT ATTRIBUTE FOR FINANCIAL STATEMENT RECOGNITION AND MEASUREMENT OF A TAX POSITION TAKEN OR EXPECTED TO BE TAKEN IN A TAX RETURN.

Part XIII Supplemental Information (continued)

MANAGEMENT HAS ANALYZED THE TAX POSITIONS TAKEN AND HAS CONCLUDED THAT AS OF SEPTEMBER 30, 2016, 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 AND GFP ARE SUBJECT TO ROUTINE AUDITS BY TAXING JURISDICTIONS; HOWEVER, THERE ARE CURRENTLY NO AUDITS FOR ANY TAX PERIODS IN PROGRESS.

PART XI, LINE 4B - OTHER ADJUSTMENTS:

TEMPORARILY RESTRICTED INVESTMENT INCOME 26,869.

PART XII, LINE 2D - OTHER ADJUSTMENTS:

NET PENSION CREDIT -2,538,888.

**SCHEDULE H
(Form 990)**

Hospitals

OMB No. 1545-0047

2015

Department of the Treasury
Internal Revenue Service

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

**Open to Public
Inspection**

Name of the organization **GRIFFIN HOSPITAL** Employer identification number **06-0647014**

Part I Financial Assistance and Certain Other Community Benefits at Cost

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

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

7 Financial Assistance and Certain Other Community Benefits at Cost

| | (a) Number of activities or programs (optional) | (b) Persons served (optional) | (c) Total community benefit expense | (d) Direct offsetting revenue | (e) Net community benefit expense | (f) Percent of total expense |
|--|---|-------------------------------|-------------------------------------|-------------------------------|-----------------------------------|------------------------------|
| Financial Assistance and Means-Tested Government Programs | | | | | | |
| a Financial Assistance at cost (from Worksheet 1) | | 139 | 1018499. | 0. | 1018499. | .66% |
| b Medicaid (from Worksheet 3, column a) | | 4,500 | 18474558. | 13579977. | 4894581. | 3.16% |
| c Costs of other means-tested government programs (from Worksheet 3, column b) | | 0 | 0. | 0. | | |
| d Total Financial Assistance and Means-Tested Government Programs | | 4,639 | 19493057. | 13579977. | 5913080. | 3.82% |
| Other Benefits | | | | | | |
| e Community health improvement services and community benefit operations (from Worksheet 4) | | 84,147 | 870,301. | 133,446. | 736,855. | .48% |
| f Health professions education (from Worksheet 5) | | 0 | 7649564. | 6245558. | 1404006. | .91% |
| g Subsidized health services (from Worksheet 6) | | 38,453 | 8739904. | 6734252. | 2005652. | 1.29% |
| h Research (from Worksheet 7) | | 0 | 956,988. | 898,470. | 58,518. | .04% |
| i Cash and in-kind contributions for community benefit (from Worksheet 8) | | 1,269 | 90,614. | 0. | 90,614. | .06% |
| j Total. Other Benefits | | 123,869 | 18307371. | 14011726. | 4295645. | 2.78% |
| k Total. Add lines 7d and 7j | | 128,508 | 37800428. | 27591703. | 10208725. | 6.60% |

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 | | | | | | |
| 4 Environmental improvements | | | | | | |
| 5 Leadership development and training for community members | | | | | | |
| 6 Coalition building | | | | | | |
| 7 Community health improvement advocacy | | | | | | |
| 8 Workforce development | | | | | | |
| 9 Other | | | | | | |
| 10 Total | | | | | | |

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

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

Section B. Medicare

| | | | | |
|--|---|-------------|--|--|
| 5 Enter total revenue received from Medicare (including DSH and IME) | 5 | 53,794,180. | | |
| 6 Enter Medicare allowable costs of care relating to payments on line 5 | 6 | 56,381,057. | | |
| 7 Subtract line 6 from line 5. This is the surplus (or shortfall) | 7 | -2,586,877. | | |
| 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 checked="" type="checkbox"/> Cost accounting system <input type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other | | | | |

Section C. Collection Practices

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

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

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

Section A. Hospital Facilities

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

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

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

1 GRIFFIN HOSPITAL
130 DIVISION STREET
DERBY, CT 06418
WWW.GRIFFINHEALTH.ORG

Table with 8 columns: Licensed hospital, Gen. medical & surgical, Children's hospital, Teaching hospital, Critical access hospital, Research facility, ER-24 hours, ER-other, and Facility reporting group. Row 1 contains 'X' marks for Licensed hospital, Gen. medical & surgical, Teaching hospital, Research facility, and ER-24 hours.

Part V Facility Information (continued)

Section B. Facility Policies and Practices

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

Name of hospital facility or letter of facility reporting group GRIFFIN HOSPITAL

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

| | Yes | No |
|--|------|----|
| Community Health Needs Assessment | | |
| 1 Was the hospital facility first licensed, registered, or similarly recognized by a state as a hospital facility in the current tax year or the immediately preceding tax year? | 1 X | |
| 2 Was the hospital facility acquired or placed into service as a tax-exempt hospital in the current tax year or the immediately preceding tax year? If "Yes," provide details of the acquisition in Section C | 2 | X |
| 3 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 12 | 3 X | |
| If "Yes," indicate what the CHNA report describes (check all that apply): | | |
| a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility | | |
| b <input checked="" type="checkbox"/> Demographics of the community | | |
| c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community | | |
| d <input checked="" type="checkbox"/> How data was obtained | | |
| e <input checked="" type="checkbox"/> The significant health needs of the community | | |
| f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups | | |
| g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs | | |
| h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests | | |
| i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs | | |
| j <input type="checkbox"/> Other (describe in Section C) | | |
| 4 Indicate the tax year the hospital facility last conducted a CHNA: 20 <u>15</u> | | |
| 5 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted | 5 X | |
| 6a Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C | 6a | X |
| b Was the hospital facility's CHNA conducted with one or more organizations other than hospital facilities? If "Yes," list the other organizations in Section C | 6b X | |
| 7 Did the hospital facility make its CHNA report widely available to the public? | 7 X | |
| If "Yes," indicate how the CHNA report was made widely available (check all that apply): | | |
| a <input checked="" type="checkbox"/> Hospital facility's website (list url): <u>WWW.GRIFFINHEALTH.ORG</u> | | |
| b <input checked="" type="checkbox"/> Other website (list url): <u>WWW.CT.GOV/DPH/CWP/VIEW</u> | | |
| c <input checked="" type="checkbox"/> Made a paper copy available for public inspection without charge at the hospital facility | | |
| d <input checked="" type="checkbox"/> Other (describe in Section C) | | |
| 8 Did the hospital facility adopt an implementation strategy to meet the significant community health needs identified through its most recently conducted CHNA? If "No," skip to line 11 | 8 X | |
| 9 Indicate the tax year the hospital facility last adopted an implementation strategy: 20 <u>15</u> | | |
| 10 Is the hospital facility's most recently adopted implementation strategy posted on a website? | 10 X | |
| a If "Yes," (list url): <u>WWW.GRIFFINHEALTH.ORG/PORTALS/0/DOCUMENTS/CHNA/NAUGA</u> | | |
| b If "No," is the hospital facility's most recently adopted implementation strategy attached to this return? | 10b | X |
| 11 Describe in Section C how the hospital facility is addressing the significant needs identified in its most recently conducted CHNA and any such needs that are not being addressed together with the reasons why such needs are not being addressed. | | |
| 12a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)? | 12a | X |
| b If "Yes" to line 12a, did the organization file Form 4720 to report the section 4959 excise tax? | 12b | |
| c If "Yes" to line 12b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$ | | |

Part V Facility Information (continued)

Financial Assistance Policy (FAP)

Name of hospital facility or letter of facility reporting group GRIFFIN HOSPITAL

| | Yes | No |
|---|-----|----|
| <p>Did the hospital facility have in place during the tax year a written financial assistance policy that:</p> <p>13 Explained eligibility criteria for financial assistance, and whether such assistance included free or discounted care?</p> <p>If "Yes," indicate the eligibility criteria explained in the FAP:</p> <p>a <input checked="" type="checkbox"/> Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of <u>250</u> % and FPG family income limit for eligibility for discounted care of <u>400</u> %</p> <p>b <input checked="" type="checkbox"/> Income level other than FPG (describe in Section C)</p> <p>c <input checked="" type="checkbox"/> Asset level</p> <p>d <input checked="" type="checkbox"/> Medical indigency</p> <p>e <input checked="" type="checkbox"/> Insurance status</p> <p>f <input checked="" type="checkbox"/> Underinsurance status</p> <p>g <input type="checkbox"/> Residency</p> <p>h <input type="checkbox"/> Other (describe in Section C)</p> | X | |
| 14 Explained the basis for calculating amounts charged to patients? | X | |
| 15 Explained the method for applying for financial assistance? | X | |
| <p>If "Yes," indicate how the hospital facility's FAP or FAP application form (including accompanying instructions) explained the method for applying for financial assistance (check all that apply):</p> <p>a <input checked="" type="checkbox"/> Described the information the hospital facility may require an individual to provide as part of his or her application</p> <p>b <input checked="" type="checkbox"/> Described the supporting documentation the hospital facility may require an individual to submit as part of his or her application</p> <p>c <input checked="" type="checkbox"/> Provided the contact information of hospital facility staff who can provide an individual with information about the FAP and FAP application process</p> <p>d <input checked="" type="checkbox"/> Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications</p> <p>e <input type="checkbox"/> Other (describe in Section C)</p> | | |
| 16 Included measures to publicize the policy within the community served by the hospital facility? | X | |
| <p>If "Yes," indicate how the hospital facility publicized the policy (check all that apply):</p> <p>a <input checked="" type="checkbox"/> The FAP was widely available on a website (list url): <u>SEE PART V, PAGE 7</u></p> <p>b <input type="checkbox"/> The FAP application form was widely available on a website (list url): _____</p> <p>c <input checked="" type="checkbox"/> A plain language summary of the FAP was widely available on a website (list url): <u>SEE PART V, PAGE 7</u></p> <p>d <input checked="" type="checkbox"/> The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)</p> <p>e <input checked="" type="checkbox"/> The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail)</p> <p>f <input checked="" type="checkbox"/> A plain language summary of the FAP was available upon request and without charge (in public locations in the hospital facility and by mail)</p> <p>g <input checked="" type="checkbox"/> Notice of availability of the FAP was conspicuously displayed throughout the hospital facility</p> <p>h <input checked="" type="checkbox"/> Notified members of the community who are most likely to require financial assistance about availability of the FAP</p> <p>i <input type="checkbox"/> Other (describe in Section C)</p> | | |

Billing and Collections

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

Part V Facility Information (continued)

Name of hospital facility or letter of facility reporting group GRIFFIN HOSPITAL

| | Yes | No |
|---|-----|----------|
| 19 Did the hospital facility or other authorized party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP? | | X |
| If "Yes," check all actions in which the hospital facility or a third party engaged: | | |
| a <input type="checkbox"/> Reporting to credit agency(ies) | | |
| b <input type="checkbox"/> Selling an individual's debt to another party | | |
| c <input type="checkbox"/> Actions that require a legal or judicial process | | |
| d <input type="checkbox"/> Other similar actions (describe in Section C) | | |
| 20 Indicate which efforts the hospital facility or other authorized party made before initiating any of the actions listed (whether or not checked) in line 19 (check all that apply): | | |
| a <input checked="" type="checkbox"/> Notified individuals of the financial assistance policy on admission | | |
| b <input checked="" type="checkbox"/> Notified individuals of the financial assistance policy prior to discharge | | |
| c <input checked="" type="checkbox"/> Notified individuals of the financial assistance policy in communications with the individuals regarding the individuals' bills | | |
| d <input type="checkbox"/> Documented its determination of whether individuals were eligible for financial assistance under the hospital facility's financial assistance policy | | |
| e <input type="checkbox"/> Other (describe in Section C) | | |
| f <input type="checkbox"/> None of these efforts were made | | |

Policy Relating to Emergency Medical Care

| | | | |
|---|-----------|----------|--|
| 21 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that required the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy? | 21 | X | |
| If "No," indicate why: | | | |
| a <input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions | | | |
| b <input type="checkbox"/> The hospital facility's policy was not in writing | | | |
| c <input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Section C) | | | |
| d <input type="checkbox"/> Other (describe in Section C) | | | |

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

| | | | |
|--|-----------|--|----------|
| 22 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care. | | | |
| a <input type="checkbox"/> The hospital facility used 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 Section C) | | | |
| 23 During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care? | 23 | | X |
| If "Yes," explain in Section C. | | | |
| 24 During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual? | 24 | | X |
| If "Yes," explain in Section C. | | | |

Part V Facility Information (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16i, 18d, 19d, 20e, 21c, 21d, 22d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2" "B, 3," etc.) and name of hospital facility.

GRIFFIN HOSPITAL:

PART V, SECTION B, LINE 5: THE 2016 VALLEY COMMUNITY INDEX WAS CREATED IN PARTNERSHIP WITH DATAHAVEN, THIS 2016 VALLEY COMMUNITY INDEX IS THE FIRST SINGLE-SOURCE REPORT OF ITS KIND THAT PROVIDES TIMELY, COMPREHENSIVE SOCIOECONOMIC, EDUCATION, HEALTH, AND WELL-BEING DATA SHAPING OUR REGION. COMMUNITY LEADERS WHO HAVE A FIRM PULSE ON THE NEEDS AND OPPORTUNITIES OF THE VALLEY CAME TOGETHER AS AN ADVISORY COMMITTEE SHARING A COMMON AGENDA TO PROVIDE THE DIRECTION FOR DATA RESEARCH, WHICH WILL ULTIMATELY LEAD TO MEASURABLE OUTCOMES. THIS REPORT IS ALSO COMPLETED TO MEET GRIFFIN HOSPITAL'S IRS REQUIREMENTS IN FORM 990 SCHEDULE H AND NOTICE 2011-52 THAT DISCUSS THE CREATION OF A COMMUNITY HEALTH NEEDS ASSESSMENT, WHICH ALL TAX-EXEMPT HOSPITALS COMPLETE AS A RESULT OF THE PATIENT PROTECTION AND AFFORDABLE CARE ACT. THIS INDEX WILL BE USED TO CONVENE COMMUNITY CONVERSATIONS, FOSTER ENGAGEMENT, ALIGN CURRENT EFFORTS AND INVESTMENTS, AND COLLABORATE ON STRATEGIC ENDEAVORS TO BUILD, SUSTAIN, AND ENHANCE THE QUALITY OF LIFE IN THE VALLEY. -VALLEY COMMUNITY FOUNDATION

THE INDEX ALSO WENT INTO THE COMMUNITY MEASURING DIFFERENCES IN PERSONAL WELL-BEING IN THE VALLEY. THE UNITED NATIONS HAS IDENTIFIED MEASURING LOCAL WELL-BEING AS A GLOBAL PRIORITY. 4 THE 2015 DATAHAVEN COMMUNITY WELLBEING SURVEY (CWS) REPRESENTED A FIRST STEP TOWARD ACHIEVING THAT GOAL IN CONNECTICUT. MORE THAN 16,000 RANDOMLY-SELECTED ADULTS LIVING THROUGHOUT THE STATE, INCLUDING 1,051 IN THE VALLEY REGION, PARTICIPATED IN LIVE, IN-DEPTH INTERVIEWS. DESIGNED BY A PANEL OF LOCAL AND NATIONAL EXPERTS AND DRAWN FROM WELL-KNOWN SURVEYS IN THE UNITED STATES AND UNITED KINGDOM, THE CWS INCLUDED A SERIES OF QUESTIONS THAT ARE REGULARLY USED TO

Part V Facility Information (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16i, 18d, 19d, 20e, 21c, 21d, 22d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2" "B, 3," etc.) and name of hospital facility.

EVALUATE PERSONAL WELL-BEING:

UNDERSTANDING THE VALLEY REGION: 2016 VALLEY COMMUNITY INDEX

PRODUCED BY THE VALLEY COMMUNITY FOUNDATION AND DATAHAVEN, SEPTEMBER 2016

LEAD AUTHORS MARY BUCHANAN, PROJECT MANAGER, DATAHAVEN, MARK ABRAHAM,
EXECUTIVE DIRECTOR, DATAHAVEN, VALLEY COMMUNITY FOUNDATION STAFF SHARON
CLOSIUS, PRESIDENT AND CEO, BETH COLETTE, VALERIE KNIGHT-DIGANGI, JOHN
READY, LAURA DOWNS, MORRISON DOWNS ASSOCIATES, PROJECT CONSULTANT

LEAD SPONSORS VALLEY COMMUNITY FOUNDATION, INC., BASSETT FAMILY FUND,
GRIFFIN HEALTH SERVICES, INC., KATHARINE MATTHIES FOUNDATION, BANK OF
AMERICA, N.A., TRUSTEE, VALLEY UNITED WAY

CONTRIBUTING SPONSORS CONNECTICUT COMMUNITY FOUNDATION, LIBERTY BANK
FOUNDATION

SPECIAL THANKS THE COMMUNITY FOUNDATION FOR GREATER NEW HAVEN, OUR PARTNER
IN PHILANTHROPY, NAUGATUCK VALLEY COUNCIL OF GOVERNMENTS, VALLEY COMMUNITY
INDEX ADVISORY COMMITTEE, ALLIANCE FOR PREVENTION & WELLNESS (FORMERLY
VSAAC), ANSONIA SCHOOL READINESS, BH CARE, BOYS & GIRLS CLUB OF THE LOWER
NAUGATUCK VALLEY, CELEBRATE SHELTON, CENTER STAGE THEATRE, THE COMMUNITY
FOUNDATION FOR GREATER NEW HAVEN, CONNECTICUT COMMUNITY FOUNDATION, DERBY
EARLY CHILDHOOD COUNCIL, DERBY NECK LIBRARY, DERBY YOUTH SERVICES BUREAU,
DOWN TO EARTH CONSULTING SOLUTIONS, GREATER VALLEY CHAMBER OF COMMERCE,
GRIFFIN HOSPITAL, HOUSATONIC COUNCIL, BSA, LITERACY VOLUNTEERS OF GREATER

Part V Facility Information (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16i, 18d, 19d, 20e, 21c, 21d, 22d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2" "B, 3," etc.) and name of hospital facility.

NEW HAVEN, MIECHV/TEAM EARLY HEAD START, NAUGATUCK VALLEY COUNCIL OF GOVERNMENTS, NAUGATUCK VALLEY HEALTH DISTRICT, NAUGATUCK YMCA, PARENT CHILD RESOURCE CENTER, SHELTON ECONOMIC DEVELOPMENT CORPORATION, TEAM, INC., VALLEY PARISH NURSE PROGRAM, VALLEY REGIONAL ADULT EDUCATION, VALLEY SHAKESPEARE FESTIVAL, VALLEY UNITED WAY, THE VALLEY VOICE, VALLEY YMCA, VNA OF SOUTH CENTRAL CT, THE WORKPLACE, INC., HOWARD WHITTEMORE MEMORIAL LIBRARY, YALE-GRIFFIN PREVENTION RESEARCH CENTER

COMMUNITY VOLUNTEERS MARILYN CORMACK, ED KISLUK, AND RICHARD KNOLL

REPRESENTATIVES FROM THE VALLEY COUNCIL FOR HEALTH & HUMAN SERVICES, WITH SPECIAL THANKS TO THE MEMBERS OF THE SENIOR SERVICES SUBCOMMITTEE

REPRESENTATIVES FROM EACH OF THE MUNICIPAL GOVERNMENTS AND SCHOOL DISTRICTS IN THE VALLEY

UNDERSTANDING THE VALLEY REGION: 2016 VALLEY COMMUNITY INDEX PRODUCED BY THE VALLEY COMMUNITY FOUNDATION AND DATAHAVEN, SEPTEMBER 2016

VALLEY COMMUNITY INDEX ADVISORY COMMITTEE: BUCHANAN, MARY, AND MARK ABRAHAM. (2016). UNDERSTANDING THE VALLEY REGION: 2016 VALLEY COMMUNITY INDEX.

DERBY, CT: VALLEY COMMUNITY FOUNDATION AND DATAHAVEN.

Part V Facility Information (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16i, 18d, 19d, 20e, 21c, 21d, 22d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2" "B, 3," etc.) and name of hospital facility.

GRIFFIN HOSPITAL:

PART V, SECTION B, LINE 6A: CHNA WAS NOT CONDUCTED WITH ANY OTHER HOSPITAL.

GRIFFIN HOSPITAL:

PART V, SECTION B, LINE 6B:

- NAUGATUCK VALLEY HEALTH DISTRICT
- VALLEY COMMUNITY FOUNDATION
- DATA HAVEN
- VALLEY COMMUNITY INDEX ADVISORY COMMITTEE
- GRIFFIN HEALTH SERVICES, INC.
- KATHARINE MATTHIES FOUNDATION
- CONNECTICUT COMMUNITY FOUNDATION
- THE COMMUNITY FOUNDATION FOR GREATER NEW HAVEN
- NAUGATUCK VALLEY COUNCIL OF GOVERNMENTS
- VALLEY COMMUNITY INDEX ADVISORY COMMITTEE ALLIANCE FOR PREVENTION & WELLNESS (FORMERLY VSAAC)
- ANSONIA SCHOOL READINESS
- BH CARE
- BOYS & GIRLS CLUB OF THE LOWER NAUGATUCK VALLEY
- CELEBRATE SHELTON
- CONNECTICUT COMMUNITY FOUNDATION DERBY EARLY CHILDHOOD COUNCIL
- DERBY NECK LIBRARY
- DERBY YOUTH SERVICES BUREAU DOWN TO EARTH CONSULTING SOLUTIONS
- GREATER VALLEY CHAMBER OF COMMERCE
- GRIFFIN HOSPITAL HOUSATONIC COUNCIL, BSA

Part V Facility Information (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16i, 18d, 19d, 20e, 21c, 21d, 22d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2" "B, 3," etc.) and name of hospital facility.

- LITERACY VOLUNTEERS OF GREATER NEW HAVEN
- MIECHV/TEAM EARLY HEAD START NAUGATUCK VALLEY COUNCIL OF GOVERNMENTS
- NAUGATUCK VALLEY HEALTH DISTRICT
- NAUGATUCK YMCA PARENT CHILD RESOURCE CENTER
- SHELTON ECONOMIC DEVELOPMENT CORPORATION
- TEAM, INC.
- GRIFFIN HOSPITAL VALLEY PARISH NURSE PROGRAM
- VALLEY REGIONAL ADULT EDUCATION
- VALLEY SHAKESPEARE FESTIVAL VALLEY UNITED WAY
- THE VALLEY VOICE
- VALLEY YMCA
- VNA OF SOUTH CENTRAL CT
- THE WORKPLACE, INC.
- HOWARD WHITMORE MEMORIAL LIBRARY
- YALE-GRIFFIN PREVENTION RESEARCH CENTER COMMUNITY
- VALLEY COUNCIL FOR HEALTH & HUMAN SERVICES

GRIFFIN HOSPITAL:

PART V, SECTION B, LINE 7D: WWW.GUIDESTAR.ORG/PROFILE/06-0647014

GRIFFIN HOSPITAL:

PART V, SECTION B, LINE 11: COMMUNITY HEALTH IMPROVEMENT PLAN (CHIP)

PRIMARY FOCUS AREAS

TO BE FINALIZED WITH GOALS, OBJECTIVES AND STRATEGIES DEVELOPED FOR EACH

Part V Facility Information *(continued)*

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16i, 18d, 19d, 20e, 21c, 21d, 22d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2" "B, 3," etc.) and name of hospital facility.

IN CONJUNCTION WITH NAUGATUCK VALLEY HEALTH DISTRICT AND OTHER COMMUNITY

PARTNERS:

CREATION OF BEHAVIORAL HEALTH/SUBSTANCE ABUSE COMMUNITY ACTION TEAM

CHRONIC DISEASE MANAGEMENT (DIABETES, CHF, COPD, ETC.)

OPIATE/ADDICTION PREVENTION & TREATMENT

CHILDHOOD OBESITY PREVENTION (VITAHLS PROGRAM)

EARLY DETECTION OF LUNG CANCER & SMOKING CESSATION

ASTHMA PREVENTION & SELF-MANAGEMENT (PART OF STATEWIDE CHA ASTHMA INITIATIVE)

GRIFFIN HOSPITAL:

PART V, SECTION B, LINE 13B: INVESTMENT, IRA, CHECKING ACCT, REAL ESTATE

GRIFFIN HOSPITAL

PART V, LINE 16A, FAP WEBSITE:

WWW.GRIFFINHEALTH.ORG/PATIENT-INFORMATION/BILLING-INSURANCE/UNINSURED

GRIFFIN HOSPITAL

PART V, LINE 16C, FAP PLAIN LANGUAGE SUMMARY WEBSITE:

Part V Facility Information (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16i, 18d, 19d, 20e, 21c, 21d, 22d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2" "B, 3," etc.) and name of hospital facility.

WWW.GRIFFINHEALTH.ORG/PATIENT-INFORMATION/BILLING-INSURANCE

GRIFFIN HOSPITAL:

PART V, SECTION B, LINE 16I: FINANCIAL ASSISTANCE INFORMATION FOR GRIFFIN HOSPITAL IS POSTED THROUGHOUT THE HOSPITAL'S MAIN REGISTRATION AREA AND IS ATTACHED TO THE BILLING INVOICES.

GRIFFIN HOSPITAL:

PART V, SECTION B, LINE 22D: THE UNINSURED RATES ARE ESTABLISHED BASED ON THE AVERAGE PAYMENTS RECEIVED FROM OUR LARGEST PARTICIPATING HMO.

Part V Facility Information *(continued)*

Section D. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

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

How many non-hospital health care facilities did the organization operate during the tax year? 0

| Name and address | Type of Facility (describe) |
|------------------|-----------------------------|
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Part VI Supplemental Information

Provide the following information.

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

PART I, LINE 3C:

GRIFFIN HOSPITAL CRITERIA FOR DETERMINING ELIGIBILITY FOR FREE CARE OR DISCOUNTED CARE INCLUDE ELIGIBILITY REQUIREMENTS ALL GUARANTORS WITH FAMILY INCOME EQUAL TO OR BELOW TWO HUNDRED PERCENT OF THE FEDERAL POVERTY STANDARD ADJUSTED FOR FAMILY SIZE SHALL BE DETERMINED TO BE INDIGENT PERSONS QUALIFYING FOR CHARITY SPONSORSHIP FOR THE FULL AMOUNT OF HOSPITAL CHARGES RELATED TO APPROPRIATE HOSPITAL-BASED MEDICAL SERVICES THAT ARE NOT COVERED BY PRIVATE OR PUBLIC THIRD-PARTY SPONSORSHIP. ALL GUARANTORS WITH FAMILY INCOME BETWEEN TWO HUNDRED ONE (250%) AND FOUR HUNDRED PERCENT (400%) OF THE FEDERAL POVERTY STANDARD ADJUSTED FOR FAMILY SIZE SHALL BE DETERMINED TO BE INDIGENT PERSONS QUALIFYING FOR DISCOUNTS FROM CHARGES RELATED TO APPROPRIATE HOSPITAL BASED MEDICAL SERVICES IN ACCORDANCE WITH THE SLIDING FEE SCHEDULE IN ATTACHMENT A AND POLICIES REGARDING INDIVIDUAL FINANCIAL CIRCUMSTANCES BASED ON THE BELOW CRITERIA: A. ELIGIBILITY SHALL BE BASED ON FINANCIAL NEED AT THE TIME OF APPLICATION BY COMPARING TOTAL FAMILY INCOME WITH THE CURRENT FEDERAL POVERTY GUIDELINES. IF A FAMILY'S TOTAL INCOME IS GREATER THAN 100% OF THE FEDERAL POVERTY GUIDELINE FAMILY ASSETS OTHER THAN EXEMPT ASSETS LISTED BELOW MAY BE CONSIDERED AS A SOURCE

Part VI Supplemental Information (Continuation)

OF PAYMENT. B. EXEMPT ASSETS (BASED ON MEDICARE EXEMPTED ASSETS) LISTED BELOW SHOULD NOT BE ADDED TO FAMILY WORTH FOR CHARITY REVIEW: I. FAMILY PRINCIPAL RESIDENCE II. NECESSARY MOTOR VEHICLES REQUIRED FOR EMPLOYMENT, REQUIRED FOR ACCESS TO TREATMENT, OR MODIFIED FOR OPERATION OR TRANSPORT OF A DISABLED PERSON III. PERSONAL EFFECTS AND HOUSEHOLD GOODS IV. RESOURCES NECESSARY FOR SELF-SUPPORT. ALL RESOURCES OF BOTH SPOUSES ARE CONSIDERED TOGETHER. 3. CHARITY WILL BE ASSIGNED USING THE MOST RECENTLY PUBLISHED FEDERAL POVERTY STANDARDS AND EVALUATED ON THE ADJUSTED FAMILY INCOME AS EXPLAINED ABOVE FOR THOSE ABOVE 250% OF SUCH STANDARDS. 4. DOCUMENTATION WILL BE REQUESTED AND IN MOST CASES WILL BE REQUIRED TO ESTABLISH ELIGIBILITY FOR CHARITY CARE. IN THE EVENT THAT THE GUARANTOR IS NOT ABLE TO PROVIDE THE DOCUMENTATION DESCRIBED ABOVE, THE HOSPITAL SHALL RELY UPON WRITTEN AND SIGNED STATEMENTS FROM THE GUARANTOR TO MAKE A FINAL DETERMINATION OF ELIGIBILITY FOR CLASSIFICATION AS AN INDIGENT PERSON.

PART I, LINE 7:

CHARITY CARE AND OTHER COMMUNITY BENEFITS TABLE WERE CALCULATED USING A COST ACCOUNTING SYSTEM OR COST TO CHARGE RATIO. THE COST ACCOUNTING SYSTEM ADDRESSES ALL PATIENT SEGMENTS AND ASSIGNS COST TO INDIVIDUAL SERVICES.

PART I, LINE 7, COLUMN (F):

THE BAD DEBT EXPENSE INCLUDED ON FORM 990, PART IX, LINE 25(A), BUT SUBTRACTED FOR PURPOSES OF CALCULATING THE PERCENTAGE IN THIS COLUMN IS \$ 1,923,632.

PART I, LINE 6A:

GRIFFIN HOSPITAL DID PREPARE A COMMUNITY BENEFIT REPORT FOR YEAR ENDING 2016. IT IS POSTED ON THE GRIFFIN HOSPITAL WEBSITE.

Part VI Supplemental Information (Continuation)

PART I, LINE 6B:

GRIFFIN HOSPITAL POSTS ITS COMMUNITY BENEFIT REPORT AND INFORMATION ON THE HOSPITAL WEBSITE GRIFFINHEALTH.ORG.

PART III, LINE 4:

GRIFFIN HOSPITAL AND SUBSIDIARY NOTES TO CONSOLIDATED FINANCIAL STATEMENTS SEPTEMBER 30, 2016

ALLOWANCE FOR DOUBTFUL ACCOUNTS - PAGE 16

THE HOSPITAL'S ESTIMATION OF THE ALLOWANCE FOR DOUBTFUL ACCOUNTS IS BASED PRIMARILY UPON THE TYPE AND AGE OF THE PATIENT ACCOUNTS RECEIVABLE AND THE EFFECTIVENESS OF THE HOSPITAL'S COLLECTION EFFORTS. THE HOSPITAL'S POLICY IS TO RESERVE A PORTION OF ALL SELF-PAY RECEIVABLES, INCLUDING AMOUNTS DUE FROM THE UNINSURED AND AMOUNTS RELATED TO CO-PAYMENTS AND DEDUCTIBLES, AS THE CHARGES ARE RECORDED. ON A MONTHLY BASIS, THE HOSPITAL REVIEWS ITS ACCOUNTS RECEIVABLE BALANCES, THE EFFECTIVENESS OF THE HOSPITAL'S RESERVE POLICIES AND VARIOUS ANALYTICS TO SUPPORT THE BASIS FOR ITS ESTIMATES. THESE EFFORTS PRIMARILY CONSIST OF REVIEWING THE FOLLOWING: REVENUE AND VOLUME TRENDS BY PAYOR, PARTICULARLY THE SELF-PAY COMPONENTS; CHANGES IN THE AGING AND PAYOR MIX OF ACCOUNTS RECEIVABLE, INCLUDING INCREASED FOCUS ON ACCOUNTS DUE FROM THE UNINSURED AND ACCOUNTS THAT REPRESENT CO-PAYMENTS AND DEDUCTIBLES DUE FROM PATIENTS; VARIOUS ALLOWANCE COVERAGE STATISTICS. THE HOSPITAL REGULARLY PERFORMS HINDSIGHT PROCEDURES TO EVALUATE HISTORICAL WRITE-OFF AND COLLECTION EXPERIENCE THROUGHOUT THE YEAR TO ASSIST IN DETERMINING THE REASONABLENESS OF ITS PROCESS FOR ESTIMATING THE

Part VI Supplemental Information (Continuation)

ALLOWANCE FOR DOUBTFUL ACCOUNTS.

GRIFFIN HOSPITAL AND SUBSIDIARY NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

MEASURING CHARITY CARE - PAGE 17

THE HOSPITAL PROVIDES CARE TO PATIENTS WHO MEET CERTAIN CRITERIA UNDER ITS FREE CARE POLICY WITHOUT CHARGE OR AT AMOUNTS LESS THAN ITS ESTABLISHED AND CONTRACTUAL RATES. BECAUSE THE HOSPITAL DOES NOT PURSUE COLLECTION OF AMOUNTS DETERMINED TO QUALIFY AS FREE CARE, THEY ARE NOT REPORTED AS NET PATIENT SERVICE REVENUE. 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. SELF-PAY REVENUES ARE DERIVED PRIMARILY FROM PATIENTS WHO DO NOT HAVE ANY FORM OF HEALTH CARE COVERAGE. THE HOSPITAL EVALUATES THESE PATIENTS, AFTER THE PATIENT'S MEDICAL CONDITION IS DETERMINED TO BE STABLE, FOR THEIR ABILITY TO PAY BASED UPON FEDERAL AND STATE POVERTY GUIDELINES, QUALIFICATIONS FOR MEDICAID OR OTHER GOVERNMENTAL ASSISTANCE PROGRAMS, AS WELL AS THE HOSPITAL'S POLICY FOR CHARITY CARE. FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015, THE HOSPITAL ESTIMATES THAT ITS COSTS OF CARE PROVIDED UNDER ITS CHARITY CARE PROGRAMS APPROXIMATED \$1,016,129 AND \$822,647, 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

Part VI Supplemental Information (Continuation)

CARE CHARGES PROVIDED. THE HOSPITAL'S GROSS CHARITY CARE CHARGES INCLUDE ONLY SERVICES PROVIDED TO PATIENTS WHO ARE UNABLE TO PAY AND QUALIFY UNDER THE HOSPITAL'S CHARITY CARE POLICY. TO THE EXTENT THE HOSPITAL RECEIVES REIMBURSEMENT THROUGH THE VARIOUS GOVERNMENTAL ASSISTANCE PROGRAMS IN WHICH IT PARTICIPATES TO SUBSIDIZE ITS CARE OF INDIGENT PATIENTS, THE HOSPITAL DOES NOT INCLUDE THESE PATIENTS' CHARGES IN ITS COST OF CARE PROVIDED UNDER ITS CHARITY CARE PROGRAM. ADDITIONALLY, THE HOSPITAL DOES NOT REPORT A CHARITY CARE PATIENT'S CHARGES IN REVENUES OR IN THE PROVISION FOR DOUBTFUL ACCOUNTS AS IT IS THE HOSPITAL'S POLICY NOT TO PURSUE COLLECTION OF AMOUNTS RELATED TO THESE PATIENTS.

PART III, LINE 8:

GRIFFIN HOSPITAL BELIEVES THAT ALL OF THE \$2.587 MILLION SHORTFALL SHOULD BE CONSIDERED AS COMMUNITY BENEFIT. THE IRS COMMUNITY BENEFIT STANDARD INCLUDES THE PROVISION OF CARE TO THE ELDERLY AND MEDICARE PATIENTS. MEDICARE SHORTFALLS MUST BE ABSORBED BY THE HOSPITAL IN ORDER TO CONTINUE TREATING THE ELDERLY IN OUR COMMUNITY. THIS YEAR MEDICARE ACCOUNTED FOR 1.7% OF HOSPITAL EXPENSES THE HOSPITAL PROVIDES CARE REGARDLESS OF THIS SHORTFALL AND THEREBY RELIEVES THE FEDERAL GOVERNMENT OF THE BURDEN OF PAYING THE FULL COST FOR MEDICARE BENEFICIARIES.

PART III, LINE 9B:

GRIFFIN HOSPITAL HAS A WRITTEN POLICY ABOUT WHEN AND UNDER WHOSE AUTHORITY PATIENT DEBT IS ADVANCED FOR COLLECTION AND SHALL USE ITS BEST EFFORTS TO ENSURE THE PATIENT AMOUNTS ARE PROCESSED FAIRLY AND CONSISTENTLY. GRIFFIN WILL ENSURE THAT PRACTICES TO BE USED BY THEIR OUTSIDE COLLECTION AGENCIES WILL CONFORM TO THE STANDARDS SET FORTH IN THIS POLICY AND SHALL OBTAIN WRITTEN COMMITMENTS FROM SUCH AGENCIES AT TIME OF BILLING. GRIFFIN WILL

Part VI Supplemental Information (Continuation)

PROVIDE TO ALL LOW INCOME UNINSURED PATIENTS THE SAME INFORMATION CONCERNING SERVICES AND CHARGES PROVIDED TO ALL OTHER PATIENTS WHO RECEIVE CARE AT THE HOSPITAL FOR PATIENTS WHO HAVE AN APPLICATION PENDING DETERMINATION FOR EITHER GOVERNMENT SPONSORED COVERAGE OR FOR THE HOSPITAL OWN FINANCIAL ASSISTANCE PROGRAM GRIFFIN WILL NOT KNOWINGLY SEND THAT PATIENT BILL TO A COLLECTION AGENCY. IF A PATIENT DOES NOT MAINTAIN THE AGREED UPON PAYMENT SCHEDULE THE AMOUNT WILL BE FORWARDED TO AN OUTSIDE COLLECTION AGENCY AT THE FULL REMAINING BALANCE. IF IT IS LATER DETERMINED BY THE GRIFFIN HOSPITAL OR A COLLECTION AGENCY ACTING ON BEHALF OF GRIFFIN HOSPITAL THAT THE PATIENT FINANCIAL CONDITIONS HAVE CHANGED AND THE PATIENT WAS UNABLE TO PAY THE OUTSTANDING ACCOUNT BALANCES AN OVERRIDE MAY BE APPLIED BY THE BUSINESS SERVICES DIRECTOR. THE UNCOLLECTED DEBT WILL BE TRANSFERRED TO UNINSURED OR FREE CARE ASSISTANCE BY THE SUPERVISOR AFTER REVIEW. THE MEDICARE COSTS WERE OBTAINED FROM THE HOSPITAL'S INTERNAL COST ACCOUNTING SYSTEM.

PART III, LINE 2:

GRIFFIN HOSPITAL BAD DEBT EXPENSE IS DETERMINED USING UNCOLLECTED ACCOUNTS NET OF ANY BAD DEBT RECOVERY MULTIPLIED BY THE COST TO CHARGE RATIO. GRIFFIN HOSPITAL HAS A WRITTEN POLICY ABOUT WHEN AND UNDER WHOSE AUTHORITY PATIENT DEBT IS ADVANCED FOR COLLECTION AND SHALL USE ITS BEST EFFORTS TO ENSURE THAT THE PATIENT ACCOUNTS ARE PROCESSED FAIRLY AND CONSISTENTLY. CHARITY APPROVAL WILL AFFECT ALL ACCOUNTS FOR WHICH THE APPROVED GUARANTOR IS RESPONSIBLE. THE APPROVED CHARITY PERCENTAGE WILL BE APPLIED TO ALL EXISTING ACCOUNTS WITH DEBIT BALANCES. ACCOUNTS MAY ALSO BE RETURNED FROM BAD DEBT STATUS IF FINANCIAL CIRCUMSTANCES WARRANT AND CHARITY MAY BE APPLIED. THE HOSPITAL PROVIDES CARE TO PATIENTS WHO MEET CERTAIN CRITERIA UNDER ITS FREE CARE POLICY WITHOUT

Part VI Supplemental Information (Continuation)

CHARGE OR AT AMOUNTS LESS THAT IT'S ESTABLISHED AND CONTRACTUAL RATES. BECAUSE THE HOSPITAL DOES NOT PURSUE COLLECTION OF AMOUNTS DETERMINED TO QUALIFY AS FREE CARE, THEY ARE NOT REPORTED AS NET PATIENT SERVICE REVENUE.

PART III, LINE 3:

GRIFFIN HOSPITAL DOES NOT ATTRIBUTE ANY BAD DEBT TO COMMUNITY BENEFIT EXPENSE. UNCOLLECTED BALANCES ARE REVIEWED AT MANY STAGES TO DETERMINE IF THEY FALL UNDER UNINSURED OR FREE CARE ASSISTANCE.

PART VI, LINE 2:

THE TRADITIONAL APPROACH OF REACTING TO ILLNESSES IS SHIFTING TOWARDS A PROACTIVE APPROACH TO OVERALL WELLNESS AND GENERAL WELL-BEING. INCREASINGLY, HOSPITALS, PHYSICIANS, AND OTHER HEALTHCARE PROVIDERS ARE BEING REWARDED FOR KEEPING PEOPLE--AND IN SOME CASES, ENTIRE POPULATIONS--HEALTHY. WHAT IS NEW IS THAT THE INCENTIVES ARE BEING ALIGNED TO HELP ACHIEVE THE PROMOTION OF TRUE POPULATION HEALTH. FOR MANY YEARS, GRIFFIN HOSPITAL AND OTHER FORWARD-THINKING HEALTHCARE PROVIDERS HAVE FOCUSED EFFORTS ON PREVENTION AND WELLNESS BECAUSE, QUITE FRANKLY, IT WAS THE RIGHT THING TO DO FOR THOSE WE SERVE. NOW, WE ARE SEEING THE STATE AND FEDERAL GOVERNMENTS (MEDICAID AND MEDICARE), AS WELL AS PRIVATE INSURERS AND EMPLOYERS THAT PAY FOR HEALTH COVERAGE, RECOGNIZE THE COST-EFFECTIVE VALUE OF THOSE EFFORTS. AN INDIVIDUAL'S GOOD HEALTH AND WELL-BEING HAS A POSITIVE RIPPLE EFFECT ON HIS/HER FAMILY, COMMUNITY, AND WORKPLACE. FACING HEALTH CHALLENGES, HOWEVER, CAN HAVE QUITE THE OPPOSITE EFFECT. FOR EXAMPLE, THE COST OF MISSING WORK OR MISSING SCHOOL FOR BOTH THE PATIENT AND THE CAREGIVER CAN BE A TREMENDOUS PHYSICAL AND ECONOMIC BURDEN.

Part VI Supplemental Information (Continuation)

PREVENTION IS NO LONGER JUST THE RIGHT THING TO DO MORALLY AND ETHICALLY FOR OUR CITIZENS, IT IS ALSO THE RIGHT THING TO DO TO PRESERVE THE COMMUNITY'S ECONOMIC VIABILITY. GRIFFIN HOSPITAL, AS THE HUB OF THE VALLEY'S HEALTH CARE SYSTEM, LONG AGO REALIZED THAT THERE ARE MANY SPOKES THAT REACH OUT TO WHERE, FROM A POPULATION HEALTH STANDPOINT, THE RUBBER HITS THE ROAD. WE HAVE A LONG AND PROUD HISTORY OF HELPING ORGANIZE AND COORDINATE COMMUNITY RESOURCES THAT IDENTIFY AND ADDRESS INDIVIDUAL AND REGIONAL HEALTH NEEDS AND PROVIDE SUPPORT FOR OUR MOST VULNERABLE RESIDENTS. WORKING COLLABORATIVELY WITH THE NAUGATUCK VALLEY HEALTH DISTRICT, THE VALLEY COUNCIL FOR HEALTH AND HUMAN SERVICES, THE ALLIANCE FOR PREVENTION & WELLNESS (FORMERLY VSAAC), AND OUR VALLEY PARISH NURSES COMMUNITY OUTREACH PROGRAM, WE PROACTIVELY ADDRESS ISSUE AREAS SUCH AS CHILDHOOD OBESITY, EARLY DETECTION SCREENING FOR CANCER, CHILDHOOD ASTHMA, AND SUBSTANCE ABUSE PREVENTION. TO PARAPHRASE DR. DAVID KATZ, DIRECTOR OF THE YALE-GRIFFIN PREVENTION RESEARCH CENTER, WHAT WE DO WITH OUR FEET (ACTIVITY/EXERCISE), OUR FORKS (WHAT AND HOW MUCH WE EAT), AND OUR FINGERS (SMOKING AND DRINKING, FOR EXAMPLE) GREATLY INFLUENCES OUR LIKELIHOOD TO DEVELOP PREVENTABLE CHRONIC DISEASE. THESE ARE THE DISEASES THAT ROB NOT ONLY YEARS OF LIFE, BUT LIFE FROM OUR YEARS. AS A VALLEY COMMUNITY, WE HAVE ALWAYS BEEN UNIQUELY CONNECTED, WITH A SPIRIT OF COOPERATION AND COLLECTIVE WILL TO MAKE THINGS BETTER. NOW, BY LOOKING AT OUR SEVEN VALLEY TOWNS THROUGH THE LENS OF THIS REPORT, TAKING INTO CONSIDERATION EDUCATION, HOUSING, EMPLOYMENT, RECREATION, EARLY CHILDHOOD DEVELOPMENT, AND AGING ISSUES IN ADDITION TO HEALTH AND HEALTHIER LIFESTYLES, WE ARE SEEING A MUCH BROADER AND MORE COMPREHENSIVE PICTURE THAN EVER BEFORE. THIS INDEX SERVES AS THE AERIAL VIEW FROM WHICH WE CAN ZOOM IN ON THE CHALLENGES WE FACE, THE ISSUES WE HOPE TO ADDRESS, AND THE MANY OPPORTUNITIES WE HAVE TO LEVERAGE OUR CONSIDERABLE RESOURCES OVER THE NEXT

Part VI Supplemental Information (Continuation)

THREE YEARS TO EFFECT CHANGE AND IMPROVE THE HEALTH OF OUR COMMUNITY.

PART VI, LINE 3:

A FINANCIAL ASSISTANCE BROCHURE IS POSTED THROUGHOUT THE HOSPITAL (CHILDBIRTH AREA, ER AREA, AND CUSTOMER SERVICE AREA) IN ENGLISH AND SPANISH EXPLAINING THE FINANCIAL ASSISTANCE POLICY AND HOW TO CONTACT THE FINANCIAL COUNSELORS.

THE FOLLOWING POLICY REPRESENTS GRIFFIN HOSPITAL'S PROCEDURES FOR THE UNINSURED PATIENT, FREE CARE ASSISTANCE, AND FREE BED FUNDS AVAILABLE FOR PATIENTS WHO DO NOT HAVE MEDICAL INSURANCE.

POLICY: 2013

UNINSURED PATIENT PROCEDURE

PATIENTS THAT ARE EITHER SCHEDULED OR REGISTERED WITH NO ACTIVE INSURANCE WILL IMPORT ONTO THE THREE FINANCIAL ADVISORS ONTRAC WORKLIST.

PATIENTS THAT ARE REGISTERED WILL RECEIVE A STATE APPLICATION PACKET FROM THE PATIENT ACCESS STAFF. THIS CONSISTS OF THE FINANCIAL ADVISOR'S BUSINESS CARD, STATE APPLICATION, AND LIST OF DOCUMENTS NEEDED TO COMPLETE THE STATE APPLICATION. A LISTING OF THE DSS OFFICES IS INCLUDED IN THE PACKET.

ALL PATIENTS IDENTIFIED WILL RECEIVE A CALL OR A DIRECT VISIT, IF ADMITTED TO THE HOSPITAL, BY A FINANCIAL ADVISOR.

THE FINANCIAL ADVISOR WILL SCREEN THE PATIENT FOR ANY CURRENT SPONSORSHIP

Part VI Supplemental Information (Continuation)

AND DISCUSS ALL ELIGIBILITY OPTIONS WITH THE PATIENT.

IF THE PATIENT MEETS CRITERIA, THE FINANCIAL ADVISORS WILL BEGIN THE HUSKY APPLICATION PROCESS WITH THE PATIENT.

A DUE DILIGENCE PROCESS WILL BE FOLLOWED BY THE FINANCIAL ADVISORS TO ENSURE THAT THE PATIENTS ARE PURSUING ACTIVE COVERAGE. THE FINANCIAL ADVISORS WILL MONITOR THE DSS WEBSITE TO TRACK THE PROGRESS OF THE APPLICATION WITH THE STATE.

ONCE ELIGIBILITY HAS BEEN DETERMINED, ALL APPROPRIATE ACCOUNTS WILL BE UPDATED TO THE HUSKY INSURANCE AND BILLED ACCORDINGLY.

ALL UNINSURED PATIENTS NOT GRANTED STATE/HUSKY COVERAGE WILL HAVE THE CHA UNINSURED RATE APPLIED TO THEIR ACCOUNT. THE UNINSURED RATE WAS DETERMINED BY THE HOSPITAL TO REPRESENT THE CONNECTICUT NOT-FOR-PROFIT HOSPITAL DISCOUNT POLICY AS ADOPTED BY THE CONNECTICUT HOSPITAL ASSOCIATION 4/10/2006.

FREE CARE ASSISTANCE

ANY PATIENT REQUESTING CONSIDERATION FOR FREE CARE ASSISTANCE IN PAYING THEIR GRIFFIN HOSPITAL BILLS OR FINANCIAL RESPONSIBILITY AFTER INSURANCE PAYMENT SHOULD CONTACT THE HOSPITAL'S FINANCIAL ADVISORY STAFF.

THE FINANCIAL ADVISOR WILL OBTAIN THE FOLLOWING INFORMATION FROM THE PATIENT IN ORDER TO COMPLETE THE FREE CARE APPLICATION. THE INFORMATION REQUIRED FROM THE PATIENT TO COMPLETE THE FREE CARE APPLICATION IS AS

Part VI Supplemental Information (Continuation)

FOLLOWS :

- PATIENT W-2 FORM OR MOST CURRENT AND COMPLETED TAX RETURN.
- OR THREE CONSECUTIVE PAYSTUBS FROM THE PATIENT'S CURRENT EMPLOYMENT/PROOF OF SOCIAL SECURITY.
- DEPENDENT INFORMATION (SPOUSE AND MINOR CHILDREN ONLY).
- ANY OR ALL BANK AND CHECKING ACCOUNT STATEMENTS.

THE FINANCIAL ADVISOR WILL REFER TO THE GRIFFIN HOSPITAL SLIDING SCALE. THIS IS BASED ON THE FEDERAL GOVERNMENT POVERTY INCOME GUIDELINES (SEE ATTACHED SLIDING SCALE). THE FINANCIAL ADVISOR WILL MAKE A DETERMINATION OF THE PATIENT'S FREE CARE ELIGIBILITY STATUS.

IF THE PATIENT QUALIFIES FOR FREE CARE ASSISTANCE, THE APPLICABLE DISCOUNT PERCENTAGE WILL BE APPLIED TO THE PATIENT'S ACCOUNT BALANCE. THEN A LETTER (ATTACHED) WILL BE SENT OUT REFLECTING THE PATIENT'S NEW ADJUSTED BALANCE.

IF A PATIENT DOES NOT QUALIFY FOR FREE CARE ASSISTANCE, THE FINANCIAL ADVISOR WILL ATTEMPT TO:

- OBTAIN PAYMENT IN FULL
- SEND TO AN OUTSIDE AGENCY TO SET UP A MONTHLY PAYMENT ARRANGEMENT

IF THE PATIENT DOES NOT MAINTAIN THE AGREED UPON PAYMENT SCHEDULE, THE ACCOUNT WILL BE FORWARDED TO AN OUTSIDE COLLECTION AGENCY AT THE FULL REMAINING BALANCES.

IF IT IS LATER DETERMINED BY THE GRIFFIN HOSPITAL OR A COLLECTION AGENCY ACTING ON BEHALF OF GRIFFIN HOSPITAL THAT THE PATIENT'S FINANCIAL CONDITIONS HAVE CHANGED AND THE PATIENT WAS UNABLE TO PAY THE OUTSTANDING

Part VI Supplemental Information (Continuation)

ACCOUNT BALANCES, AN ADMINISTRATIVE OVERRIDE MAY BE APPLIED BY THE BUSINESS SERVICES COLLECTION SUPERVISOR OR DIRECTOR OF BUSINESS SERVICES. ALL ADMINISTRATIVE OVERRIDES WILL BE SIGNED OFF BY EACH OF THOSE PARTIES.

THE BUSINESS SERVICES COLLECTION SUPERVISOR WILL MAINTAIN ALL MONTHLY SPREADSHEETS THAT WILL IDENTIFY ALL APPLIED FREE BED FUNDS, UNINSURED, AND FREE CARE ASSISTANCE ALLOCATED ON A MONTHLY BASIS.

FREE BED FUNDS:

THE HOSPITAL HAS THE FOLLOWING FREE BED FUNDS AVAILABLE FOR PATIENTS WHO MEET THE FOLLOWING OUTLINED CRITERIA FOR EACH FUND:

THE ENO FUND: THE APPLICANT MUST BE A WORTHY PROTESTANT WOMAN, 60 YEARS OF AGE OR OLDER, AND BE A RESIDENT OF ANSONIA, DERBY OR SEYMOUR.

PINE TRUST: THE FUND IS AVAILABLE TO INDIGENT PATIENTS OF GRIFFIN HOSPITAL WHO RESIDE IN THE CITY OF ANSONIA.

DN CLARK: THE FUND IS AVAILABLE TO SHELTON RESIDENTS.

ALL FREE BED FUNDS GRANTED ARE PROCESSED THROUGH THE HOSPITAL'S FINANCIAL ADVISOR STAFF.

PART VI, LINE 4:

GRIFFIN HOSPITAL SERVES THE TOWNS THAT COMPRISE THE LOWER NAUGATUCK VALLEY INCLUDING ANSONIA, DERBY, SEYMOUR, SHELTON, OXFORD, BEACON FALLS AND SURROUNDING TOWNS INCLUDING BETHANY, MIDDLEBURY, MILFORD, MONROE,

Part VI Supplemental Information (Continuation)

NAUGATUCK, ORANGE, PROSPECT, SOUTHBURY, STRATFORD, TRUMBULL, WOODBRIDGE AND WOODBURY.

THE VALLEY IS A COMMUNITY OF CONNECTICUT TOWNS LOCATED IN NEW HAVEN AND FAIRFIELD COUNTIES. IT LIES ALONG THE HOUSATONIC AND NAUGATUCK RIVERS AND IS CONNECTED TO CITY CENTERS ALONG I-95 BETWEEN NEW YORK AND NEW HAVEN, AS WELL AS ALONG ROUTE 8 TO WATERBURY. WE DEFINE THE VALLEY AS THE SEVEN TOWNS THAT COLLABORATED TO WIN THE ALL-AMERICA CITY AWARD IN THE YEAR 2000: ANSONIA, BEACON FALLS, DERBY, NAUGATUCK, OXFORD, SEYMOUR, AND SHELTON. THE TOWNS SHARE A SPIRITED COMMUNITY CULTURE AND STRONG INSTITUTIONS, WHICH COLLABORATE ON INITIATIVES IN CIVIC VITALITY, HEALTH AND HUMAN SERVICES, ECONOMIC DEVELOPMENT, AND QUALITY OF LIFE. THE COLLABORATIVE WORK IT TOOK BY MANY TO BE RECOGNIZED AS PART OF THE 20-TOWN NAUGATUCK VALLEY CORRIDOR, A FEDERALLY-DESIGNATED ECONOMIC DEVELOPMENT DISTRICT (EDD), IS A PRIME EXAMPLE OF HOW VALLEY LEADERS COME TOGETHER FOR THE GREATER GOOD.

THE VALLEY HAS A COMMON HISTORY AND IDENTITY, BUT EACH OF ITS TOWNS HAS ITS OWN UNIQUE CHARACTERISTICS. THE REGION'S DEMOGRAPHICS AND ECONOMY ARE CONSTANTLY CHANGING IN RESPONSE TO OUTSIDE FORCES; THESE CHANGES AFFECT THE REGION'S NEIGHBORHOODS IN DIFFERENT WAYS. TOWN CENTERS OFFER A LARGE SHARE OF RENTAL OR AFFORDABLE HOUSING UNITS, WHICH ARE ATTRACTIVE TO YOUNGER WORKERS, SINGLE ADULTS, AND OTHER HOUSEHOLDS THAT WOULD PREFER TO RENT FOR ECONOMIC OR LIFESTYLE REASONS. IN OTHER NEIGHBORHOODS, NEWER HOMES AND LARGER LOTS CONTINUE TO ATTRACT HOMEOWNERS WITH HIGH INCOMES. THE VARIETY OF NEIGHBORHOODS AND RESIDENTS WHO CHOOSE TO LIVE THERE HELP MAKE THE VALLEY A RESILIENT COMMUNITY WITH A RICH TRADITION OF IMMIGRATION AND MIGRATION.

Part VI Supplemental Information (Continuation)

THE VALLEY'S LEGACY OF AGRICULTURAL AND INDUSTRIAL PRODUCTION ARISES FROM ITS LOCATION ALONG TWO MAJOR RIVERS. TODAY, THE ECONOMY OF THE VALLEY COMMUNITIES IS SIGNIFICANTLY INFLUENCED BY THE CONTINUED DEVELOPMENT ALONG THE ROUTE 8 CORRIDOR, WHICH HAS RESULTED IN BOTH OPPORTUNITIES AND CHALLENGES. SHELTON, IN PARTICULAR, HAS EXPERIENCED NEW COMMERCIAL AND OFFICE DEVELOPMENT BY VIRTUE OF ITS LOCATION AND INFRASTRUCTURE. ITS STRONG FINANCIAL BASE, HOWEVER, CAN MASK THE ECONOMIC CHALLENGES THAT OTHER TOWNS FACE.

LEVELS OF PERSONAL WELL-BEING ARE NOT EVENLY DISTRIBUTED ACROSS THE VALLEY'S POPULATION. AN INCREASINGLY DIVERSE POPULATION AND A GROWING NUMBER OF SENIORS PRESENT NEW NEEDS AND OPPORTUNITIES. INCOMES VARY BY TOWN, AND MORE PEOPLE, ESPECIALLY CHILDREN, LIVE IN ECONOMIC HARDSHIP. CANCER, HEART DISEASE, AND ACCIDENTS ARE LEADING CAUSES OF PREMATURE DEATHS. THE OFFICIAL 2015 UNEMPLOYMENT RATE IN THE VALLEY WAS 6.1 PERCENT, THE LOWEST SINCE 2008. CENSUS DATA SHOWS THAT 45 PERCENT OF VALLEY WORKERS EARN LESS THAN \$40,000 PER YEAR, A "LIVING WAGE" THAT IS CONSIDERED NECESSARY TO COVER COSTS OF LIVING IN THE REGION.

PART VI, LINE 5:

AS A PATIENT-CENTERED HEALTH CARE SYSTEM, GRIFFIN HOSPITAL IS COMMITTED TO PARTNERING WITH OUR COMMUNITY TO PROMOTE WELLNESS THROUGH A WIDE VARIETY OF PROGRAMS AND SERVICES.

GRIFFIN-SPONSORED EVENTS AS A PROUD MEMBER OF THE NAUGATUCK VALLEY COMMUNITY, GRIFFIN HOSPITAL WORKS IN TANDEM WITH OTHER COMMUNITY ORGANIZATIONS TO STRENGTHEN OUR CITIZENS, ENCOURAGE POSITIVE

Part VI Supplemental Information (Continuation)

RELATIONSHIPS, FACILITATE ONGOING WELLNESS AND PROVIDE ONGOING SUPPORT TO THOSE IN NEEDS.

VALLEY PARISH NURSE PROGRAM VALLEY PARISH NURSES SERVE AS COORDINATORS BETWEEN THE CLERGY, PARISH AND RESOURCES IN THE COMMUNITY, SUCH AS HOSPITALS AND OTHER SOCIAL SERVICE AGENCIES.

MOBILE HEALTH RESOURCE CENTER- THE GRIFFIN HOSPITAL MOBILE HEALTH RESOURCE VAN IS A CUSTOM BUILT WINNEBAGO THAT TRAVELS TO VARIOUS LOCATIONS THROUGHOUT THE LOWER NAUGATUCK VALLEY, SUCH AS SENIOR CENTERS, SHOPPING CENTERS, NEIGHBORHOODS, COMPANIES AND COMMUNITY EVENTS AND FAIRS.

ADVANCE CARE PLANNING PLAN NOW TO ENSURE THAT YOUR WISHES FOR END-OF-LIFE DECISIONS ARE UNDERSTOOD, RESPECTED, AND HONORED BY LOVED ONES AND HEALTHCARE PROVIDERS. IT'S EASY AND IT'S FREE.

HEALTH INITIATIVE FOR MEN (HIM)- THE GOAL OF THE HIM IS TO INFLUENCE MEN TO SEE THEIR PHYSICIAN ANNUALLY, AND TO BE SCREENED FOR VARIOUS DISEASES THAT RESPOND BETTER TO TREATMENT IF DETECTED EARLY.

VALLEY WOMEN'S HEALTH INITIATIVE THE VALLEY WOMEN'S HEALTH INITIATIVE (WHI) IS COMPRISED OF MEMBERS OF THE COMMUNITY WORKING TOWARD A COMMON GOAL OF ADDRESSING AND IMPROVING WOMEN'S HEALTH ISSUES INCLUDING BREAST CANCER AWARENESS AND HEART DISEASE.

WOMEN'S HEART WELLNESS COMMITTEE A COMMUNITY INITIATIVE FOCUSED ON EDUCATION, OUTREACH, AND PREVENTION.

Part VI Supplemental Information (Continuation)

HEALTH RESOURCE CENTER THE COMMUNITY HEALTH RESOURCE CENTER (HRC) AT GRIFFIN HOSPITAL IS A TRADITIONAL FREE LENDING LIBRARY THAT PROVIDES AN ARRAY OF MEDICAL AND HEALTH INFORMATION.

HEALTHY U EDUCATIONAL SERIES HEALTHY U IS A SERIES OF WELLNESS TALKS FEATURING GRIFFIN HOSPITAL MEDICAL EXPERTS AND COMMUNITY PARTNERS PROVIDING TRUSTED HEALTH INFORMATION AND ANSWERS TO QUESTIONS ON A WIDE RANGE OF TOPICS. ALL TALKS ARE FREE AND OPEN TO THE PUBLIC.

MINI MED SCHOOL FREE PROGRAM FOR THE LAYPERSON WITH LITTLE OR NO MEDICAL BACKGROUND, PROVIDING A UNIQUE OPPORTUNITY TO GAIN A GREATER UNDERSTANDING OF HOW THE HUMAN BODY WORKS, INSIGHT INTO COMMON DISORDERS OF THE VARIOUS ORGAN SYSTEMS, AS WELL AS INFORMATION ABOUT DISEASE PREVENTION.

PERSONAL EMERGENCY PREPAREDNESS GRIFFIN HOSPITAL DEPARTMENT OF EMERGENCY MANAGEMENT (EM) HELPS TO PREPARE THE COMMUNITY IN CASE OF A DISASTER OR EMERGENCY SITUATION. THIS PAGE PROVIDES SAFETY AND PREPAREDNESS TIPS AS WELL AS IMPORTANT LOCAL AND GOVERNMENTAL CONTACTS.

PLANETREE WELLNESS EDUCATION SERIES GRIFFIN HOSPITAL'S PLANETREE EDUCATION IS PROUD TO OFFER THIS FREE HEALTH EMPOWERMENT SERIES OF FUN AND EDUCATIONAL TALKS FOR MEMBERS OF OUR COMMUNITY.

SAFE KIDS GRIFFIN HOSPITAL'S SAFE KIDS GREATER NAUGATUCK VALLEY COALITION IS AVAILABLE TO EDUCATE CHILDREN AND ADULTS ON VARIETY OF HEALTH AND SAFETY PROGRAMS TO REDUCE UNINTENTIONAL INJURIES AMONG CHILDREN. WE OFFER PROGRAMS AT THE HOSPITAL OR AT YOUR FACILITY.

Part VI Supplemental Information (Continuation)

VITAHLS VALLEY INITIATIVE TO ADVANCE HEALTH & LEARNING IN SCHOOLS GRIFFIN HOSPITAL HAS BEEN EXPANDING ITS REACH INTO THE COMMUNITY LIKE NEVER BEFORE.

GRIFFIN HOSPITAL SUPPLIED COMMUNITY ASSISTANCE THRU THE WALK RUN 5K FUNDRAISING EVENT THAT SUPPLIED THE FUNDS TO ASSIST OUR COMMUNITY CANCER PROGRAMS SUCH AS LOOK GOOD FEEL BETTER, VOICES OF HOPE AND ASSISTANCE FOR WIGS AND SUPPLIES, TREATMENT, TRANSPORTATION, SEYMOUR PINK EXERCISE TRAINOR, AFTER THE STORM MASSAGE THERAPY SERVICES AND CIRCLE OF FRIENDS.

SPARK PLUG PROGRAM WHICH SUPPORTS EMPLOYEES TIME TO RAISE MONEY IN THE HOSPITAL THRU CHRISTMAS TREE RAFFLES AND EASTER RAFFLES WERE THE MONEY IS DONATED TO SPOONER HOUSE FOOD SHELTER IN SHELTON CT.

IN ADDITION TO PROVIDING HEALTH INFORMATION AND SERVICES TO THE PUBLIC AT THE HOSPITAL AND OTHER SATELLITE LOCATIONS, GRIFFIN TAKES THESE ACTIVITIES INTO THE COMMUNITIES WHERE PATIENTS LIVE, WORK, AND WORSHIP. BY OFFERING A VARIETY OF SUPPORT GROUPS, TRAINING SESSIONS, EDUCATIONAL PROGRAMS, AND OTHER COMMUNITY-BASED RESOURCES AND ACTIVITIES, AND COLLABORATING WITH OTHER NON-PROFIT ORGANIZATIONS AND GOVERNMENT ENTITIES, GRIFFIN HAS EXTENDED ITS MISSION "TO PROVIDE LEADERSHIP TO IMPROVE THE HEALTH OF THE COMMUNITY SERVED" FAR BEYOND THE HOSPITAL'S WALLS.

367 SPECIAL PROGRAMS HELD ON THE FOLLOWING TOPICS AT LOCAL CHURCHES, LIBRARIES, HOSPITAL, SENIOR CENTERS AND PRIVATE COMPANIES: MONTHLY ACP -ACCOUNTABLE CARE PLANNING, ACCESS HEALTH ASSISTANCE, BREAST WELLNESS, DIABETES EDUCATION FALL PREVENTION, TRANSPORTING CHILDREN WITH SPECIAL NEEDS INSTRUCTOR CLASS, AARP SAFE DRIVING, CHILD PASSENGER SAFETY

Part VI Supplemental Information (Continuation)

CONFERENCE, LIVER DISEASE EDUCATION, VOLUNTEER PARISH NURSES FROM 20 DIFFERENT PARISHES AFFILIATED WITH THE VPNP AT GRIFFIN HOSPITAL PARTICIPATED FOR THE PROGRAM YEAR. CONTACTS INCLUDED OFFICE HOUR VISITS, HOME, HOSPITAL AND NURSING HOME VISITS, PHONE CALLS, AND BULLETIN DELIVERIES, 334 HEALTH AND WELLNESS PROGRAMS WERE HOSTED AT THE VARIOUS CHURCHES WITH 8526 PARTICIPANTS, HEALTHY HINTS IN WEEKLY BULLETINS AT 3 CHURCHES. APPROXIMATELY 30,000 PEOPLE READ OVER THE YEAR, CHRONIC DISEASE SELF-MANAGEMENT PROGRAM.

GRIFFIN HOSPITAL COMMUNITY VAN VISITED 223 COMMUNITY SITES CONSISTING OF LOCAL CHURCHES, FOOD BANKS, SHELTERS AND SHOPPING AREAS. THE VALLEY PARISH NURSE PROGRAM COMPLETED A TOTAL OF 7052 SCREENINGS ON INDIVIDUALS THRU PROGRAMS.

162 COMMUNITY OUTREACH MEETINGS HELD WITH LOCAL BOARD OF DIRECTORS, HEALTH DEPTS., HEALTH CARE COUNCILS, PARISH NURSING, SAFE KIDS, CANCER COMMITTEES, AND WOMEN MAKING A DIFFERENCE. ACO STEERING ACP, QUARTERLY AHA, ANSONIA EARLY CHILDHOOD COUNCIL, BOYS & GIRLS CLUB BOARD- SHELTON, CANCER COMMITTEE, CHA- COMMUNITY HEALTH GROUP, CT COALITION OF DIABETES EDUCATOR, CT COUNCIL OF PARISH NURSE, KOMEN, DERBY DIABETES PREVENTION TASK FORCE, EARLY CHILDHOOD COUNCIL COORDINATOR, CT DIABETES PARTNERSHIP, PASTORAL CARE, SAFE KIDS, STATE DEPT. HEALTH IMPROVEMENT, PLAN VALLEY CARES, ALLIANCE VALLEY CARE, GIVERS VALLEY COUNCIL, HEALTH/HUMAN SERVICES, VALLEY HEALTHCARE COUNCIL, VALLEY PARISH NURSES, VALLEY COUNCIL YOUTH COMMITTEE, VITAHLS, VSAAC WOMEN HEART WELLNESS, WOMEN MAKING A DIFFERENCE, EARLY CHILDHOOD COUNCIL.

320 CPR CLASSES AT VARIOUS LOCATIONS.

Part VI Supplemental Information (Continuation)

GRIFFIN HAD 420 CHILDREN'S PROGRAMS THROUGHOUT THE YEAR. CHILDREN'S EDUCATION PROGRAMS INCLUDED CPR EDUCATION, POISON EDUCATION, HALLOWEEN HOME, FIRE.911,GERMS, WINTER, PETS, NUTRITION, EXERCISE, SPORTS, SUMMER, WATER AND PEDESTRIAN CROSSING.

214 SUPPORT GROUPS OFFERED THROUGH GRIFFIN HOSPITAL VALLEY PARISH NURSE, CANCER CENTER AND PASTORAL CARE. SUPPORT GROUPS INCLUDED ALZHEIMER CAREGIVERS, DIABETES, HEAL, MULTIPLE SCLEROSIS, FIBROMYALGIA, VALLEY HEART CLUB, PASTORAL CARE BEREAVEMENT GROUP, VOICES OF HOPE, LOOK GOOD FEEL BETTER, AND CIRCLE OF FRIENDS.

PART VI, LINE 6:

N/A

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

CT

**SCHEDULE J
(Form 990)**

Compensation Information

OMB No. 1545-0047

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

2015

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

▶ Attach to Form 990.

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

Name of the organization **GRIFFIN HOSPITAL** Employer identification number **06-0647014**

Part I Questions Regarding Compensation

| | Yes | No |
|--|-----------|----------|
| 1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items. <input type="checkbox"/> First-class or charter travel <input type="checkbox"/> Travel for companions <input type="checkbox"/> Tax indemnification and gross-up payments <input type="checkbox"/> Discretionary spending account <input type="checkbox"/> Housing allowance or residence for personal use <input type="checkbox"/> Payments for business use of personal residence <input type="checkbox"/> Health or social club dues or initiation fees <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) | | |
| 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 | 1b | |
| 2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked in line 1a? | 2 | |
| 3 Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III. <input checked="" type="checkbox"/> Compensation committee <input type="checkbox"/> Independent compensation consultant <input type="checkbox"/> Form 990 of other organizations <input type="checkbox"/> Written employment contract <input checked="" type="checkbox"/> Compensation survey or study <input checked="" type="checkbox"/> Approval by the board or compensation committee | | |
| 4 During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization: | | |
| a Receive a severance payment or change-of-control payment? | 4a | X |
| b Participate in, or receive payment from, a supplemental nonqualified retirement plan? | 4b | X |
| c Participate in, or receive payment from, an equity-based compensation arrangement? | 4c | X |
| If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III. | | |
| Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9. | | |
| 5 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of: | | |
| a The organization? | 5a | X |
| b Any related organization? | 5b | X |
| If "Yes" to line 5a or 5b, describe in Part III. | | |
| 6 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of: | | |
| a The organization? | 6a | X |
| b Any related organization? | 6b | X |
| If "Yes" on line 6a or 6b, describe in Part III. | | |
| 7 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described on lines 5 and 6? If "Yes," describe in Part III | 7 | X |
| 8 Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III | 8 | X |
| 9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)? | 9 | |

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

Schedule J (Form 990) 2015

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

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

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

| (A) Name and Title | | (B) Breakdown of W-2 and/or 1099-MISC compensation | | | (C) Retirement and other deferred compensation | (D) Nontaxable benefits | (E) Total of columns (B)(i)-(D) | (F) Compensation in column (B) reported as deferred on prior Form 990 |
|---|------|--|-------------------------------------|-------------------------------------|--|-------------------------|---------------------------------|---|
| | | (i) Base compensation | (ii) Bonus & incentive compensation | (iii) Other reportable compensation | | | | |
| (1) FREDERICK BROWNE, M.D. TRUSTEE | (i) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| | (ii) | 328,315. | 0. | 0. | 7,950. | 5,076. | 341,341. | 0. |
| (2) PATRICK A. CHARMEL CEO/PRESIDENT | (i) | 466,015. | 71,598. | 0. | 8,238. | 17,712. | 563,563. | 0. |
| | (ii) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| (3) KENNETH J. DOBULER, M.D. TRUSTEE/PHYSICIAN | (i) | 251,443. | 6,897. | 0. | 8,438. | 0. | 266,778. | 0. |
| | (ii) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| (4) MARK O'NEILL CFO/VP FINANCE | (i) | 262,081. | 42,885. | 0. | 7,116. | 1,980. | 314,062. | 0. |
| | (ii) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| (5) MARGARET DEEGAN VP | (i) | 198,423. | 32,333. | 0. | 8,706. | 17,712. | 257,174. | 0. |
| | (ii) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| (6) TODD LIU VP | (i) | 180,170. | 21,625. | 0. | 3,590. | 17,712. | 223,097. | 0. |
| | (ii) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| (7) BARBARA STUMPO VP | (i) | 191,076. | 31,142. | 0. | 8,830. | 17,712. | 248,760. | 0. |
| | (ii) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| (8) KATHLEEN MARTIN VP | (i) | 155,589. | 25,791. | 0. | 8,816. | 17,712. | 207,908. | 0. |
| | (ii) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| (9) BENJAMIN ZIGUN MD | (i) | 258,185. | 0. | 0. | 4,072. | 17,712. | 279,969. | 0. |
| | (ii) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| (10) EDWARD HALSTEAD MD | (i) | 236,224. | 0. | 0. | 8,434. | 17,712. | 262,370. | 0. |
| | (ii) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| (11) MIHAELA BORAN MD | (i) | 211,548. | 0. | 0. | 5,918. | 17,712. | 235,178. | 0. |
| | (ii) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| (12) SUSAN BOUTON RN | (i) | 154,901. | 0. | 0. | 3,558. | 17,712. | 176,171. | 0. |
| | (ii) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| (13) STEPHEN MORDECAI DIRECTOR OF HR | (i) | 150,997. | 3,479. | 0. | 6,736. | 17,712. | 178,924. | 0. |
| | (ii) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| | (i) | | | | | | | |
| | (ii) | | | | | | | |
| | (i) | | | | | | | |
| | (ii) | | | | | | | |
| | (i) | | | | | | | |
| | (ii) | | | | | | | |

Supplemental Information on Tax-Exempt Bonds

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

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

Name of the organization **GRIFFIN HOSPITAL** Employer identification number **06-0647014**

| Part I Bond Issues | | | | | | | | | | | |
|---------------------------|----------------|-------------|-----------------|-----------------|-----------------------------------|--------------|----|-------------------------|----|----------------------|----|
| (a) Issuer name | (b) Issuer EIN | (c) CUSIP # | (d) Date issued | (e) Issue price | (f) Description of purpose | (g) Defeased | | (h) On behalf of issuer | | (i) Pooled financing | |
| | | | | | | Yes | No | Yes | No | Yes | No |
| A CHEFA SERIES B | 06-0806186 | NONE | 02/01/05 | 24800000. | CONSTRUCTION OF NEW WING | | X | | X | | X |
| B CHEFA SERIES C & D | 06-0806186 | NONE | 05/01/07 | 23125000. | CONSTRUCTION OF NEW CANCER CENTER | | X | | X | | X |
| C | | | | | | | | | | | |
| D | | | | | | | | | | | |

| Part II Proceeds | | | | | | | | | | |
|---|-------------|----|-------------|----|-----|----|-----|----|--|--|
| | A | | B | | C | | D | | | |
| 1 Amount of bonds retired | | | | | | | | | | |
| 2 Amount of bonds legally defeased | | | | | | | | | | |
| 3 Total proceeds of issue | 25,769,812. | | 22,982,209. | | | | | | | |
| 4 Gross proceeds in reserve funds | | | 1,406,958. | | | | | | | |
| 5 Capitalized interest from proceeds | | | | | | | | | | |
| 6 Proceeds in refunding escrows | 24,573,303. | | | | | | | | | |
| 7 Issuance costs from proceeds | 435,721. | | 234,306. | | | | | | | |
| 8 Credit enhancement from proceeds | | | | | | | | | | |
| 9 Working capital expenditures from proceeds | 760,791. | | 1,133,492. | | | | | | | |
| 10 Capital expenditures from proceeds | | | 20,207,453. | | | | | | | |
| 11 Other spent proceeds | | | | | | | | | | |
| 12 Other unspent proceeds | | | | | | | | | | |
| 13 Year of substantial completion | 1996 | | 2010 | | | | | | | |
| | Yes | No | Yes | No | Yes | No | Yes | No | | |
| 14 Were the bonds issued as part of a current refunding issue? | X | | X | | | | | | | |
| 15 Were the bonds issued as part of an advance refunding issue? | | X | | X | | | | | | |
| 16 Has the final allocation of proceeds been made? | X | | X | | | | | | | |
| 17 Does the organization maintain adequate books and records to support the final allocation of proceeds? | X | | X | | | | | | | |

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

Part III Private Business Use (Continued)

| | A | | B | | C | | D | |
|---|-----|----|-----|----|-----|----|-----|----|
| | Yes | No | Yes | No | Yes | No | Yes | No |
| 3a Are there any management or service contracts that may result in private business use of bond-financed property? | | X | | 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 | | 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 Does the bond issue meet the private security or payment test? | | X | | X | | | | |
| 8a Has there been a sale or disposition of any of the bond-financed property to a non-governmental person other than a 501(c)(3) organization since the bonds were issued? | | X | | X | | | | |
| b If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of | | | | | | | | |
| c If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2? | | | | | | | | |
| 9 Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2? | | X | | X | | | | |

Part IV Arbitrage

| | A | | B | | C | | D | |
|--|-----|----|-------------|----|-----|----|-----|----|
| | Yes | No | Yes | No | Yes | No | Yes | No |
| 1 Has the issuer filed Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate? | | X | | X | | | | |
| 2 If "No" to line 1, did the following apply? | | | | | | | | |
| a Rebate not due yet? | | X | | X | | | | |
| b Exception to rebate? | | X | | X | | | | |
| c No rebate due? | | X | | X | | | | |
| If "Yes" to line 2c, provide in Part VI the date the rebate computation was performed | | | | | | | | |
| 3 Is the bond issue a variable rate issue? | | X | X | | | | | |
| 4a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue? | | X | X | | | | | |
| b Name of provider | | | WELLS FARGO | | | | | |
| c Term of hedge | | | 30.000000 | | | | | |
| d Was the hedge superintegrated? | | | | X | | | | |
| e Was the hedge terminated? | | | | X | | | | |

Part IV Arbitrage (Continued)

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

Part V Procedures To Undertake Corrective Action

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

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

SCHEDULE L
(Form 990 or 990-EZ)

Transactions With Interested Persons

OMB No. 1545-0047

2015

Open To Public Inspection

Department of the Treasury
Internal Revenue Service

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

Name of the organization: GRIFFIN HOSPITAL
Employer identification number: 06-0647014

Part I Excess Benefit Transactions (section 501(c)(3), section 501(c)(4), and 501(c)(29) 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.

Table with 4 columns: (a) Name of disqualified person, (b) Relationship between disqualified person and organization, (c) Description of transaction, (d) Corrected? (Yes/No)

2 Enter the amount of tax incurred by the organization managers or disqualified persons during the year under section 4958 \$
3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization \$

Part II Loans to and/or From Interested Persons.

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

Table with 9 columns: (a) Name of interested person, (b) Relationship with organization, (c) Purpose of loan, (d) Loan to or from the organization? (To/From), (e) Original principal amount, (f) Balance due, (g) In default? (Yes/No), (h) Approved by board or committee? (Yes/No), (i) Written agreement? (Yes/No)

Total \$

Part III Grants or Assistance Benefiting Interested Persons.

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

Table with 5 columns: (a) Name of interested person, (b) Relationship between interested person and the organization, (c) Amount of assistance, (d) Type of assistance, (e) Purpose of assistance

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

Schedule L (Form 990 or 990-EZ) 2015

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 |
| GREGORY BORIS, D.O. | TRUSTEE | 2,959,019. | GRIFFIN HOS | | X |
| DAVID J. HENDRICKS, M.D. | TRUSTEE | 2,959,019. | GRIFFIN HOS | | X |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

Part V Supplemental Information

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: GREGORY BORIS, D.O.

(B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION:

TRUSTEE

(C) AMOUNT OF TRANSACTION \$ 2,959,019.

(D) DESCRIPTION OF TRANSACTION: GRIFFIN HOSPITAL RETAINED THE SERVICES OF CONNECTICUT EMERGENCY MEDICINE SPECIALISTS TO OVERSEE THE EMERGENCY DEPARTMENT. GREGORY BORIS IS THE DIRECTOR OF THE EMERGENCY DEPARTMENT.

(E) SHARING OF ORGANIZATION REVENUES? = NO

(A) NAME OF PERSON: DAVID J. HENDRICKS, M.D.

(B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION:

TRUSTEE

(C) AMOUNT OF TRANSACTION \$ 2,959,019.

(D) DESCRIPTION OF TRANSACTION: GRIFFIN HOSPITAL RETAINED THE SERVICES OF CONNECTICUT EMERGENCY MEDICINE SPECIALISTS TO OVERSEE THE EMERGENCY DEPARTMENT. DAVID J. HENDRICKS IS A CONSULTANT FOR CONNECTICUT EMERGENCY SPECIALISTS.

(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.

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

OMB No. 1545-0047

2015

Open to Public
Inspection

Name of the organization

GRIFFIN HOSPITAL

Employer identification number

06-0647014

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

HEALING ENVIRONMENT.

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

PROVIDING LEADERSHIP TO IMPROVE THE HEALTH OF THE COMMUNITY WE SERVE.

FORM 990, PART III, LINE 4D, OTHER PROGRAM SERVICES:

PROVIDE HOSPICE SERVICES TO THE COMMUNITY.

EXPENSES \$ 664,525. INCLUDING GRANTS OF \$ 0. REVENUE \$ 1,301,423.

FORM 990, PART VI, SECTION A, LINE 2:

GREGORY BORIS, D.O. (TRUSTEE) IS THE DIRECTOR OF THE EMERGENCY DEPARTMENT FOR CONNECTICUT EMERGENCY MEDICINE SPECIALISTS. DAVID J. HENDRICKS, M.D. (TRUSTEE) IS A CONSULTANT FOR CONNECTICUT EMERGENCY MEDICINE SPECIALISTS. GRIFFIN HOSPITAL RETAINED THE SERVICES OF CONNECTICUT EMERGENCY MEDICINE SPECIALISTS TO OVERSEE THE EMERGENCY DEPARTMENT.

FORM 990, PART VI, SECTION A, LINE 7A:

THE BOARD OF TRUSTEES MAKES RECOMMENDATIONS TO THE INCORPORATORS OF THE HOSPITAL REGARDING NOMINATIONS OF MEMBERS OF THE COMMUNITY TO SERVE AS TRUSTEES.

FORM 990, PART VI, SECTION B, LINE 11:

FORM 990 IS REVIEWED BY MANAGEMENT PRIOR TO FILING.

FORM 990, PART VI, SECTION B, LINE 12C:

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.
532211
09-02-15

Schedule O (Form 990 or 990-EZ) (2015)

| | |
|--|--|
| Name of the organization GRIFFIN HOSPITAL | Employer identification number 06-0647014 |
|--|--|

EACH YEAR ALL MEMBERS OF THE HOSPITAL BOARD, OFFICERS, DIRECTORS, AND KEY EMPLOYEES RECEIVE, SIGN, AND SUBMIT A CONFLICT OF INTEREST DISCLOSURE. THE DISCLOSURES ARE REVIEWED BY THE HOSPITAL BOARD AND DOCUMENTED IN THE MINUTES. ANY DISCLOSURE OF A CONFLICT PREVENTS THE INDIVIDUAL FROM INVOLVEMENT WITH OR PARTICIPATION IN SUBJECT MATTER THAN MIGHT AFFECT THE DISCLOSED CONFLICT. ALL CONFLICTS ARE DISCLOSED AT THE ANNUAL MEETING.

FORM 990, PART VI, SECTION B, LINE 15:

COMPENSATION OF OFFICERS AND KEY EMPLOYEES ARE REVIEWED ANNUALLY BY THE COMPENSATION COMMITTEE WHICH IS A SUBCOMMITTEE OF THE HOSPITAL BOARD. THIS COMMITTEE SETS THE COMPENSATION FOR THE CEO BASED ON INDUSTRY DATA. COMPENSATION OF OTHER OFFICERS AND DIRECTORS IS SET BY THE CEO BASED ON INDUSTRY DATA.

FORM 990, PART VI, SECTION C, LINE 19:

THE GOVERNING DOCUMENTS ARE FILED WITH THE OFFICE OF HEALTH CARE ACCESS AND ARE AVAILABLE TO THE PUBLIC UPON REQUEST.

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

| | |
|---|--------------|
| TRANSFERS BETWEEN AFFILIATES | -6,839,758. |
| MINIMUM PENSION LIABILITY ADJUSTMENT | -10,758,389. |
| CHANGE IN NET ASSETS OF AFFILIATE | 1,444,294. |
| CHANGE IN BENEFICIAL INTEREST IN TRUSTS | 131,627. |
| CHANGE IN FAIR VALUE OF INTEREST RATE SWAPS | -2,666,937. |
| NET PENSION CREDIT | 2,538,888. |
| TOTAL TO FORM 990, PART XI, LINE 9 | -16,150,275. |

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

| | |
|---|---|
| Name of the organization GRIFFIN HOSPITAL | Employer identification number 06-0647014 |
|---|---|

NET PENSION CREDIT -

THE HOSPITAL FROZE THE DEFINED BENEFIT PENSION PLAN EFFECTIVE MARCH 31, 2016 AND INTRODUCED AN EMPLOYER 403(B) MATCH AND CORE CONTRIBUTION TO THE EXISTING GRIFFIN HOSPITAL 403(B) RETIREMENT SAVINGS PLAN. EFFECTIVE WITH THE FREEZE, NO FURTHER BENEFITS WILL ACCRUE TO PLAN PARTICIPANTS. THE FREEZING OF THE PLAN CONSTITUTED A CURTAILMENT, THE RECOGNITION OF WHICH WAS REFLECTED IN THE YEAR ENDED SEPTEMBER 30, 2016. THE CURTAILMENT RESULTED IN RECOGNITION OF 100% OF THE NEGATIVE PRIOR SERVICE COST OF \$5,613,532 WHICH OFFSET THE NET PERIODIC BENEFIT COST OF \$3,074,644 RESULTING IN A NET PENSION CREDIT TO EXPENSE OF \$2,538,888 FOR THE YEAR ENDED SEPTEMBER 30, 2016.

FORM 990, PART XII, LINE 2C:

THE BOARD OF TRUSTEES IS RESPONSIBLE FOR SELECTING AN INDEPENDENT AUDIT FIRM AND FOR OVERSEEING THE FINANCIAL STATEMENT PREPARATION PROCESS. THERE HAVE BEEN NO CHANGES IN THESE PROCEDURES SINCE THE PRIOR YEAR.

**SCHEDULE R
(Form 990)**

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

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

OMB No. 1545-0047

2015

Open to Public Inspection

Name of the organization

GRIFFIN HOSPITAL

Employer identification number

06-0647014

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

| (a) Name, address, and EIN (if applicable) of disregarded entity | (b) Primary activity | (c) Legal domicile (state or foreign country) | (d) Total income | (e) End-of-year assets | (f) Direct controlling entity |
|--|-------------------------|---|---------------------|---------------------------|-------------------------------------|
| | | | | | |
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| | | | | | |

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

| (a) 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 |
| GRIFFIN HEALTH SERVICES CORPORATION - 22-2560257, 130 DIVISION STREET, DERBY, CT 06418 | HOLDING COMPANY | CONNECTICUT | 501(C)(3) | LINE 11A, I | N/A | | X |
| GRIFFIN FACULTY PRACTICE PLAN INC - 06-1463147, 130 DIVISION STREET, DERBY, CT 06418 | MEDICAL/EDUCATION | CONNECTICUT | 501(C)(3) | LINE 9 | GRIFFIN HOSPITAL | X | |
| GRIFFIN HOSPITAL DEVELOPMENT FUND - 22-2560254, 130 DIVISION STREET, DERBY, CT 06418 | FUNDRAISING | CONNECTICUT | 501(C)(3) | LINE 11A, I | GRIFFIN HEALTH SERVICES CORPORATION | | X |
| PLANETREE INC - 06-1505284 130 DIVISION STREET DERBY, CT 06418 | EDUCATION | CONNECTICUT | 501(C)(3) | LINE 9 | GRIFFIN HEALTH SERVICES CORPORATION | | X |

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

Schedule R (Form 990) 2015

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

| (a) Name, address, and EIN of related organization | (b) Primary activity | (c) Legal domicile (state or foreign country) | (d) Direct controlling entity | (e) Predominant income (related, unrelated, excluded from tax under sections 512-514) | (f) Share of total income | (g) Share of end-of-year assets | (h) Disproportionate allocations? | | (i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065) | (j) General or managing partner? | | (k) Percentage ownership |
|--|-------------------------|--|-------------------------------------|---|---------------------------------|--|---|----|---|---|----|--------------------------------|
| | | | | | | | Yes | No | | Yes | No | |
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Part IV Identification of Related Organizations Taxable as a Corporation or Trust Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.

| (a) Name, address, and EIN of related organization | (b) Primary activity | (c) Legal domicile (state or foreign country) | (d) Direct controlling entity | (e) Type of entity (C corp, S corp, or trust) | (f) Share of total income | (g) Share of end-of-year assets | (h) Percentage ownership | (i) Section 512(b)(13) controlled entity? | |
|--|-------------------------------|---|-------------------------------------|--|---------------------------------|--|--------------------------------|---|----|
| | | | | | | | | Yes | No |
| G.H. VENTURES, INC. - 22-2560247 130 DIVISION STREET DERBY, CT 06418 | RENTAL REAL ESTATE | CT | N/A | C CORP | N/A | N/A | N/A | | X |
| HEALTHCARE ALLIANCE INSURANCE CO LTD 171 ELGIN AVENUE GEORGETOWN, GRAND CAYMAN, CAYMAN ISLANDS | OFFSHORE CAPTIVE INSURANCE | CAYMAN ISLANDS | N/A | C CORP | N/A | N/A | N/A | | X |
| CT PRACTICE MANAGEMENT INC. - 06-1152819 130 DIVISION STREET DERBY, CT 06418 | INACTIVE | CT | N/A | C CORP | N/A | N/A | N/A | | X |
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Part V Transactions With Related Organizations Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

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

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 Dividends from related organization(s) | | X |
| g Sale of assets to related organization(s) | | X |
| h Purchase of assets from related organization(s) | | X |
| i Exchange of assets with related organization(s) | | X |
| j Lease of facilities, equipment, or other assets to related organization(s) | | X |
| k Lease of facilities, equipment, or other assets from related organization(s) | X | |
| l Performance of services or membership or fundraising solicitations for related organization(s) | X | |
| m Performance of services or membership or fundraising solicitations by related organization(s) | X | |
| n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s) | X | |
| o Sharing of paid employees with related organization(s) | X | |
| p Reimbursement paid to related organization(s) for expenses | X | |
| q Reimbursement paid by related organization(s) for expenses | X | |
| r Other transfer of cash or property to related organization(s) | X | |
| s Other transfer of cash or property from related organization(s) | X | |

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

| (a) Name of related organization | (b) Transaction type (a-s) | (c) Amount involved | (d) Method of determining amount involved |
|---------------------------------------|-------------------------------|------------------------|--|
| (1) GRIFFIN FACULTY PRACTICE PLAN INC | R | 6,120,975. | |
| (2) GRIFFIN HOSPITAL DEVELOPMENT FUND | R | 153,299. | |
| (3) G.H. VENTURES, INC. | R | 565,484. | |
| (4) | | | |
| (5) | | | |
| (6) | | | |

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

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

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

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

Lined area for supplemental information.

• If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** and check this box **X**

Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

• If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** (on page 1).

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

Enter filer's identifying number, see instructions

| | | |
|---|--|--|
| Type or print <small>File by the due date for filing your return. See instructions.</small> | Name of exempt organization or other filer, see instructions. GRIFFIN HOSPITAL | Employer identification number (EIN) or 06-0647014 |
| | Number, street, and room or suite no. If a P.O. box, see instructions. 130 DIVISION STREET | Social security number (SSN) |
| | City, town or post office, state, and ZIP code. For a foreign address, see instructions. DERBY, CT 06418 | |

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

| Application Is For | Return Code | Application Is For | Return Code |
|--|-------------|-----------------------------------|-------------|
| Form 990 or Form 990-EZ | 01 | | |
| Form 990-BL | 02 | Form 1041-A | 08 |
| Form 4720 (individual) | 03 | Form 4720 (other than individual) | 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.

JAMES DOWNEY

• The books are in the care of **130 DIVISION STREET - DERBY, CT 06418**
Telephone No. **203-732-7528** 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, 2017.

5 For calendar year _____, or other tax year beginning OCT 1, 2015, and ending SEP 30, 2016.

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 Forms 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 Forms 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 Date

THE GRIFFIN HOSPITAL AND SUBSIDIARY

**CONSOLIDATED FINANCIAL STATEMENTS
AND CONSOLIDATING INFORMATION**

SEPTEMBER 30, 2016 AND 2015

THE GRIFFIN HOSPITAL AND SUBSIDIARY

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
The Griffin Hospital

We have audited the accompanying financial statements of The Griffin Hospital and its Subsidiary (the Hospital), which comprise the consolidated balance sheets as of September 30, 2016 and 2015, and the related consolidated statements of operations, changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our 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 from material misstatement.

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

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



Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Griffin Hospital and its Subsidiary as of September 30, 2016 and 2015, and the consolidated results of their operations and changes in net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Marcum LLP

Hartford, CT
January 27, 2017

THE GRIFFIN HOSPITAL AND SUBSIDIARY

CONSOLIDATED BALANCE SHEETS

SEPTEMBER 30, 2016 AND 2015

| | 2016 | 2015 |
|--|------------------------------|------------------------------|
| Assets | | |
| Current Assets | | |
| Cash and cash equivalents | \$ 8,673,106 | \$ 6,845,485 |
| Investments | 7,871,187 | 7,914,147 |
| Assets limited as to use | 757,551 | 724,768 |
| Patient accounts receivable, less allowance for doubtful accounts of approximately \$4,767,000 and \$4,773,000, respectively | 13,857,567 | 13,863,865 |
| Other current assets | <u>3,054,737</u> | <u>4,802,369</u> |
| Total Current Assets | <u>34,214,148</u> | <u>34,150,634</u> |
| Assets Limited as to Use | | |
| Board-designated investments | 32,847 | 23,986 |
| Under indenture agreement | <u>4,235,986</u> | <u>4,289,023</u> |
| Total Assets Limited as to Use | <u>4,268,833</u> | <u>4,313,009</u> |
| Other Assets | | |
| Long-term investments | 1,324,584 | 1,233,522 |
| Property, plant and equipment, net | 53,781,976 | 53,228,409 |
| Interest in net assets of affiliate | 7,834,670 | 8,800,729 |
| Due from affiliates | 7,841,990 | 6,348,704 |
| Beneficial interest in trusts | 3,581,854 | 3,450,227 |
| Other long-term assets and insurance recoverable | <u>5,046,027</u> | <u>5,335,406</u> |
| Total Other Assets | <u>79,411,101</u> | <u>78,396,997</u> |
| Total Assets | <u><u>\$ 117,894,082</u></u> | <u><u>\$ 116,860,640</u></u> |

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

THE GRIFFIN HOSPITAL AND SUBSIDIARY

CONSOLIDATED BALANCE SHEETS (CONTINUED)

SEPTEMBER 30, 2016 AND 2015

| | 2016 | 2015 |
|---|-----------------------|-----------------------|
| Liabilities and Net Deficit | | |
| Current Liabilities | | |
| Current portion of long-term debt | \$ 5,028,090 | \$ 5,013,100 |
| Accounts payable | 15,299,641 | 16,475,015 |
| Accrued expenses | 8,444,119 | 9,143,833 |
| Estimated third-party settlements | 357,083 | 1,153,146 |
| Accrued interest payable | 266,810 | 280,977 |
| Accrued postretirement benefit liability | 572,000 | 496,000 |
| Deferred revenue | 430,074 | 157,449 |
| Due to affiliates | 276,634 | 311,783 |
| Total Current Liabilities | 30,674,451 | 33,031,303 |
| Other Liabilities | | |
| Estimated third-party settlements | 5,996,213 | 5,664,953 |
| Professional and general liability loss reserves | 2,927,302 | 3,172,632 |
| Workers' compensation loss reserves | 1,906,731 | 1,827,843 |
| Accrued pension liability | 49,234,443 | 45,060,464 |
| Accrued postretirement benefit liability, net of current portion | 9,794,769 | 8,770,609 |
| Conditional asset retirement obligation | 95,831 | 104,600 |
| Long-term debt, net of current portion | 38,276,877 | 41,160,778 |
| Interest rate swap agreements | 9,122,953 | 7,643,841 |
| Total Other Liabilities | 117,355,119 | 113,405,720 |
| Total Liabilities | 148,029,570 | 146,437,023 |
| Net Deficit | | |
| Unrestricted operating net assets | 28,293,859 | 16,891,260 |
| Cumulative unrecognized pension and other postretirement changes | (66,904,091) | (56,145,702) |
| Total unrestricted | (38,610,232) | (39,254,442) |
| Temporarily restricted net assets | 2,732,629 | 4,067,571 |
| Permanently restricted net assets | 5,742,115 | 5,610,488 |
| Total Net Deficit | (30,135,488) | (29,576,383) |
| Total Liabilities and Net Deficit | \$ 117,894,082 | \$ 116,860,640 |

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

THE GRIFFIN HOSPITAL AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF OPERATIONS

FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

| | 2016 | 2015 |
|--|---------------------|------------------------|
| Operating Revenues | | |
| Net patient service revenue | \$ 172,577,357 | \$ 153,616,747 |
| Provision for doubtful accounts, net of recoveries | <u>(2,179,430)</u> | <u>(1,951,079)</u> |
| Net patient service revenue less provision for doubtful accounts | 170,397,927 | 151,665,668 |
| Net assets released from restriction for operations | 423,387 | -- |
| State supplemental revenue | 4,948,647 | 1,899,613 |
| Other operating revenues | <u>3,668,146</u> | <u>3,589,047</u> |
| Total Operating Revenues | <u>179,438,107</u> | <u>157,154,328</u> |
| Operating Expenses | | |
| Employee compensation and related expenses | 95,128,955 | 89,545,101 |
| Supplies and other expenses | 57,823,887 | 52,602,047 |
| State hospital tax expense | 7,583,772 | 6,283,833 |
| Depreciation | 4,529,189 | 4,682,072 |
| Interest | <u>2,128,918</u> | <u>2,123,883</u> |
| Total Operating Expenses | <u>167,194,721</u> | <u>155,236,936</u> |
| Income from Operations | <u>12,243,386</u> | <u>1,917,392</u> |
| Nonoperating Gains (Losses) | | |
| Investment income | 728,488 | 180,955 |
| Net realized and unrealized losses on interest rate swaps | (2,666,937) | (2,480,754) |
| Grant revenues | 2,004,694 | 1,942,304 |
| Grant expenses | <u>(2,103,848)</u> | <u>(2,039,194)</u> |
| Total Nonoperating Losses | <u>(2,037,603)</u> | <u>(2,396,689)</u> |
| Excess (Deficiency) of Revenues Over Expenses | 10,205,783 | (479,297) |
| Other Changes in Unrestricted Net Assets | | |
| Change in interest in net assets of affiliate | 459,944 | 23,586 |
| Net assets released from restriction for capital | 1,455,655 | -- |
| Transfers to affiliates | (718,783) | (650,792) |
| Pension and other postretirement related changes other than net periodic benefit cost | <u>(10,758,389)</u> | <u>(12,041,404)</u> |
| Increase (Decrease) in Unrestricted Net Assets | <u>\$ 644,210</u> | <u>\$ (13,147,907)</u> |

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

THE GRIFFIN HOSPITAL AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS
FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

| | 2016 | 2015 |
|---|------------------------|------------------------|
| Unrestricted Net Assets | | |
| Excess (deficiency) of revenues over expenses | \$ 10,205,783 | \$ (479,297) |
| Change in interest in net assets of affiliate | 459,944 | 23,586 |
| Net assets released from restriction for capital | 1,455,655 | -- |
| Transfers to affiliates | (718,783) | (650,792) |
| Pension and other postretirement related changes other than net periodic benefit cost | <u>(10,758,389)</u> | <u>(12,041,404)</u> |
| Increase (Decrease) in Unrestricted Net Assets | <u>644,210</u> | <u>(13,147,907)</u> |
| Temporarily Restricted Net Assets | | |
| Change in interest in net assets of affiliate | 451,038 | 588,957 |
| Investment income | 26,869 | 30,858 |
| Unrealized gains (losses) on investments | 66,193 | (71,788) |
| Net assets released from restrictions | <u>(1,879,042)</u> | <u>--</u> |
| (Decrease) Increase in Temporarily Restricted Net Assets | <u>(1,334,942)</u> | <u>548,027</u> |
| Permanently Restricted Net Assets | | |
| Change in beneficial interest in trusts | <u>131,627</u> | <u>(309,944)</u> |
| Increase (Decrease) in Permanently Restricted Net Assets | <u>131,627</u> | <u>(309,944)</u> |
| Decrease in Net Assets | (559,105) | (12,909,824) |
| Net Deficit - Beginning | <u>(29,576,383)</u> | <u>(16,666,559)</u> |
| Net Deficit - End | <u>\$ (30,135,488)</u> | <u>\$ (29,576,383)</u> |

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

THE GRIFFIN HOSPITAL AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

| | 2016 | 2015 |
|--|--------------------|--------------------|
| Cash Flows from Operating Activities | | |
| Change in net assets | \$ (559,105) | \$ (12,909,824) |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | |
| Pension and other postretirement changes other than net periodic benefit cost | 10,758,389 | 12,041,404 |
| Depreciation and amortization | 4,660,965 | 4,818,832 |
| Change in unrealized and realized (gains) losses on investments | (480,599) | (506,380) |
| Change in beneficial interest in trusts | (131,627) | 309,944 |
| Change in fair value of interest rate swap | 1,479,112 | 1,207,342 |
| Provision for doubtful accounts, net of recoveries | 2,179,430 | 1,951,079 |
| Transfers to affiliates | 718,783 | 650,792 |
| Change in interest in net assets of affiliate | 966,059 | (612,543) |
| Changes in assets and liabilities: | | |
| Patient accounts receivable | (2,173,132) | (2,648,711) |
| Other current and long-term assets | 1,838,363 | 1,006,980 |
| Due from affiliates | (1,528,435) | 154,299 |
| Accounts payable, accrued expenses and other | (1,782,550) | (696,580) |
| Estimated third-party settlements | (464,803) | 1,885,701 |
| Deferred revenue | 272,625 | 118,160 |
| Accrued pension and postretirement benefit liabilities | <u>(5,484,250)</u> | <u>(1,709,771)</u> |
| Net Cash Provided by Operating Activities | <u>10,269,225</u> | <u>5,060,724</u> |
| Cash Flows from Investing Activities | | |
| Purchases of property, plant and equipment, net | (5,364,672) | (3,689,493) |
| Purchases of investments | (3,921,269) | (6,817,284) |
| Proceeds from sales and maturities of investments | 4,365,159 | 7,514,120 |
| Transfers to affiliates | <u>(718,783)</u> | <u>(650,792)</u> |
| Net Cash Used in Investing Activities | <u>(5,639,565)</u> | <u>(3,643,449)</u> |

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

THE GRIFFIN HOSPITAL AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

| | 2016 | 2015 |
|---|---------------------|---------------------|
| Cash Flows from Financing Activities | | |
| Proceeds from borrowing | \$ -- | \$ 1,820,000 |
| Principal payments on debt | (2,802,039) | (2,549,420) |
| Principal payments on capital lease obligations | <u>--</u> | <u>(1,586,264)</u> |
| Net Cash Used in Financing Activities | <u>(2,802,039)</u> | <u>(2,315,684)</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | 1,827,621 | (898,409) |
| Cash and Cash Equivalents - Beginning | <u>6,845,485</u> | <u>7,743,894</u> |
| Cash and Cash Equivalents - End | <u>\$ 8,673,106</u> | <u>\$ 6,845,485</u> |
| Supplemental Cash Flow Information | | |
| Cash paid during the year: | | |
| Interest | <u>\$ 3,377,579</u> | <u>\$ 3,412,146</u> |
| Supplemental Disclosure of Noncash Financing Activities | | |
| Property, plant and equipment included in accounts payable and accrued expenses | <u>\$ 709,367</u> | <u>\$ 991,283</u> |

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

THE GRIFFIN HOSPITAL AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES AND ORGANIZATION

ORGANIZATION

The Griffin Hospital (the Hospital) is a licensed 160-bed acute care hospital located in Derby, Connecticut and is part of an affiliated group which consists of its parent corporation, Griffin Health Services Corporation (GHSC), including Griffin Pharmacy and Gifts (GP&G), and certain other affiliates, primarily the Griffin Hospital Development Fund (GHDF), the fund-raising organization for GHSC and the other tax-exempt subsidiaries; G.H. Ventures, Inc. (GHV), a for profit organization currently managing medical office buildings; Planetree, Inc. (Planetree), a not-for-profit entity assisting hospitals and other health care facilities in the development and implementation of a patient centered model of care; the Griffin Faculty Practice Plan, Inc. (GFP), a not-for-profit entity incorporated for the purpose of providing medical services and to charge for services performed by physicians as supervisors of interns, and Healthcare Alliance Insurance Company, Ltd. (HAIC), a for profit off-shore captive insurance company.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of the Hospital and its wholly owned subsidiary, GFP. All significant intercompany accounts and transactions are eliminated in consolidation.

BASIS OF PRESENTATION

The consolidated financial statements have been prepared on the accrual basis of accounting.

Resources are reported for accounting purposes in separate classes of net assets based on the existence or absence of donor-imposed restrictions. In the accompanying financial statements, net assets have been reported as follows:

Permanently Restricted

Net assets subject to explicit donor-imposed stipulations that they be maintained by the Hospital in perpetuity are classified as permanently restricted. Generally, the donors of these assets permit the Hospital to use all or part of the investment return on these assets for operating purposes.

THE GRIFFIN HOSPITAL AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES AND ORGANIZATION (CONTINUED)

BASIS OF PRESENTATION (CONTINUED)

Temporarily Restricted

Net assets whose use by the Hospital is subject to explicit donor-imposed stipulations that can be fulfilled upon incurrence of expenses by the Hospital pursuant to those stipulations or that expire by the passage of time are classified as temporarily restricted.

Unrestricted

Net assets that are not subject to explicit donor-imposed stipulations are classified as unrestricted. Unrestricted net assets may be designated for specific purposes by action of the Board of Trustees or may otherwise be limited by contractual agreements with outside parties.

Revenues from sources other than contributions are reported in unrestricted net assets. Contributions are reported as increases in the applicable category of net assets, consistent with donor designation. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets, unless their use is restricted by explicit donor stipulations or by law. Expirations of temporary restrictions on net assets, that is, the donor-imposed stipulated purpose has been accomplished and/or stipulated time period has elapsed, are reported as reclassifications between the applicable classes of net assets.

Grant revenues and expenses relating to the Hospital's operations are included within operating revenues and expenses. Grant revenues and expenses relating to research are included within nonoperating gains and losses.

Contributions, including unconditional promises to give, are recognized as increases in net assets at the date the gift or promise is received. Contributions of assets other than cash are recorded at their estimated fair value. Contributions to be received after one year are discounted at a rate commensurate with the risks involved. Amortization of the discount is recorded as additional contribution revenue in accordance with the donor-imposed stipulations, if any, on the contributions.

Contributions restricted for the acquisition of land, buildings and equipment are reported as temporarily restricted support. These contributions are reclassified to unrestricted net assets when the capital asset is acquired or placed in service.

THE GRIFFIN HOSPITAL AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES AND ORGANIZATION (CONTINUED)

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The Hospital's and GFP's significant estimates include the allowances for patient accounts receivable, contractual allowances and estimated final settlements due to or from third-party payors, professional and general liability loss reserves, pension assumptions and the fair values of interest rate swap agreements and certain financial assets that require unobservable inputs to estimate fair value.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include investments in highly liquid instruments with a maturity of three months or less when purchased, excluding amounts whose use is limited by the Board of Trustees or other restrictive arrangements.

The majority of the Hospital's banking activity, including cash and cash equivalents, is maintained with a regional bank and exceeds federal insurance limits. It is the Hospital's policy to monitor the bank's financial strength on an ongoing basis. At September 30, 2016, there was approximately \$8,500,000 of uninsured deposits.

BENEFICIAL INTEREST IN TRUSTS

The fair value of contributions received from perpetual trust assets held by third parties is measured at the Hospital's proportionate share of the fair value of the trust's assets at the time the Hospital is notified of the trust's existence and is periodically adjusted for changes in value. Distributions received by the Hospital may be restricted by the donor. These assets are classified as permanently restricted net assets.

INVENTORIES

Inventories, which are included in other current assets, are stated at the lower of cost, using the first-in, first-out method, or market.

THE GRIFFIN HOSPITAL AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES AND ORGANIZATION (CONTINUED)

FAIR VALUE MEASUREMENTS

Fair value standards define fair value and establish a framework for measuring fair value. The framework provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under this principle are as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Hospital and GFP have the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

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 assets were determined primarily through information obtained from the relevant counterparties for such assets, as information on which these fair values are based is generally not readily available in the market. During the years ended September 30, 2016 and 2015, there were no changes in the methods and assumptions utilized to estimate fair value.

THE GRIFFIN HOSPITAL AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES AND ORGANIZATION (CONTINUED)

FAIR VALUE MEASUREMENTS (CONTINUED)

Fair values of investments are provided by the investment managers and are determined as follows:

- (i) The fair values of marketable equity securities and mutual funds are generally determined based on quoted market prices from recognized exchanges using data provided by third party pricing vendors.
- (ii) The fair values of fixed income securities are generally based on quoted prices in active markets or recently executed transactions. When quoted prices are not available, fair value is determined based on a valuation model that uses observable inputs that include interest rates, bond and credit default swap spreads and volatility. Where asset backed and mortgage backed securities are valued using cash flow models, inputs include default rates, conditional prepayment rates, loss severity, expected yield to maturity and other inputs specific to each security.

The fair value of the interest rate swap liability was determined 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.

Reference is made to Note 3 for a summary table of financial instruments recorded at fair value and Note 11 for the fair value of the defined benefit pension plan's financial instruments.

INVESTMENTS AND INVESTMENT INCOME

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

ASSETS LIMITED AS TO USE

Assets limited as to use include assets set aside by the Board of Trustees in a depreciation fund for future capital improvements, for postretirement benefit obligations and assets held by a trustee under an indenture agreement.

THE GRIFFIN HOSPITAL AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES AND ORGANIZATION (CONTINUED)

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are recorded at cost or in the case of donated property at the fair value at the date of gift. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method with one-half year of depreciation expense recorded in the year of acquisition. Uniform useful lives assigned to assets are based upon the American Hospital Association estimated useful lives of depreciable hospital assets guidelines and range from 3 to 40 years. Maintenance and repairs are charged to expense as incurred, and betterments and major renewals are capitalized. Upon sale or disposal of property, plant or equipment, the cost and accumulated depreciation are removed from the respective accounts, and any gain or loss is included in operations. Equipment under capital leases is amortized on the straight-line method over the estimated useful life of the equipment. Interest cost incurred on borrowed funds during the construction period of capital assets is capitalized as a component of the cost of acquiring those assets.

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

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 2016 and 2015.

ASSET RETIREMENT OBLIGATION

The Hospital accrues for asset retirement obligations, primarily asbestos related removal costs, in the period in which they are identified if sufficient information is available to reasonably estimate the obligation. Over time, the liability is accreted to its settlement value. Upon settlement of the liability, the Hospital will recognize a gain or loss for any difference between the settlement amount and the liability recorded. There are no assets that are legally restricted for purposes of settling asset retirement obligations. Conditional asset retirement obligations totaling \$95,831 and \$104,600 were recorded as of September 30, 2016 and 2015, respectively, and have been fully accreted to their estimated settlement values.

THE GRIFFIN HOSPITAL AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES AND ORGANIZATION (CONTINUED)

INTEREST IN NET ASSETS OF AFFILIATE

Interest in net assets of affiliate represents the Hospital's interest in the net assets of GHDF.

COST OF BORROWING

Issuance costs and premiums related to the Hospital's bonds are being amortized/accreted using the effective interest method over the life of the debt. Net amortization expense, which is included in interest expense, was \$131,776 and \$136,760 for 2016 and 2015, respectively.

The discount from face value at which debt has been issued is reflected as a reduction of the carrying value of such debt. The premium from face value at which debt has been issued is reflected as an addition to the carrying value of such debt. Discounts and premiums are amortized or accreted over the life of the debt, using the effective interest method.

PROFESSIONAL AND GENERAL LIABILITY LOSS RESERVES

The liability for claims is determined by management based on data processed by independent loss adjusters. The liability for adverse claims development and the liability for claims incurred but not reported are determined by management based on actuarial studies of related data prepared by independent actuaries.

Due to the nature of the underlying insurance risks and the general uncertainty surrounding medical malpractice claims settlement, the liability for losses is an estimate and could vary significantly from the amount ultimately paid. However, the liability for losses reflects the best estimate of ultimate loss based on historical experience and actuarial projections.

Included in the 2016 and 2015 balance sheets is an increase in assets and liabilities attributed to the recognition of both an accrued liability and a receivable relative to claim exposure in excess of the excess liability coverage.

EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES

The statements of operations include excess (deficiency) of revenues over expenses. Changes in unrestricted net assets which are excluded from the excess (deficiency) of revenues over expenses, consistent with industry practice, include changes in interest in net assets of affiliate, net assets released from restriction for capital, transfers of assets to and from affiliates for other than goods and services, and pension and other postretirement related changes other than net periodic benefit cost.

THE GRIFFIN HOSPITAL AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES AND ORGANIZATION (CONTINUED)

NET PATIENT SERVICE REVENUE

The Hospital and GFP have agreements with third-party payors that provide for payments at amounts different from established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, per diem payments, and fee schedule payments. 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 due to future audits, reviews and investigations.

Contractual allowance adjustments and third-party settlements are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews or investigations. Contracts, laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates may change by a material amount in the future. During 2016 and 2015, the Hospital recorded certain adjustments for amounts recognized related to prior years, including adjustments to prior year estimates. The net effect of such adjustments was a decrease in net patient service revenue of approximately \$22,000 and \$221,000 in fiscal years 2016 and 2015, respectively.

ALLOWANCE FOR DOUBTFUL ACCOUNTS

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

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

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

THE GRIFFIN HOSPITAL AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES AND ORGANIZATION (CONTINUED)

MEASURING CHARITY CARE

The Hospital provides care to patients who meet certain criteria under its free care policy without charge or at amounts less than its established and contractual rates. Because the Hospital does not pursue collection of amounts determined to qualify as free care, they are not reported as net patient service revenue.

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.

Self-pay revenues are derived primarily from patients who do not have any form of health care coverage. The Hospital evaluates these patients, after the patient's medical condition is determined to be stable, for their ability to pay based upon federal and state poverty guidelines, qualifications for Medicaid or other governmental assistance programs, as well as the Hospital's policy for charity care. For the years ended September 30, 2016 and 2015, the Hospital estimates that its costs of care provided under its charity care programs approximated \$1,016,129 and \$822,647, 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 doubtful accounts as it is the Hospital's policy not to pursue collection of amounts related to these patients.

INCOME TAXES

The Hospital and GFP are not-for-profit organizations, exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Hospital and GFP account for uncertainty in income tax positions by applying a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return.

THE GRIFFIN HOSPITAL AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES AND ORGANIZATION (CONTINUED)

INCOME TAXES (CONTINUED)

Management has analyzed the tax positions taken and has concluded that as of September 30, 2016, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Hospital and GFP are subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

INTEREST RATE SWAP AGREEMENTS

The Hospital utilizes interest rate swap agreements to reduce risks associated with changes in interest rates. Interest rate swap agreements are reported at fair value. The Hospital is exposed to credit loss in the event of nonperformance by the counterparties to its interest rate swap agreements. The Hospital is also exposed to the risk that the swap receipts may not offset its variable rate debt service. To the extent these variable rate payments do not equal variable interest payments on the bonds, there will be a net loss or net benefit to the Hospital.

RECLASSIFICATIONS

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

SUBSEQUENT EVENTS

Management has evaluated subsequent events for the period after September 30, 2016 through January 27, 2017, the date the accompanying consolidated financial statements were available to be issued.

On January 20, 2017, the State of Connecticut Health and Educational Facilities Authority (CHEFA) issued \$40,652,000 of the Hospital's Issue 2017 Series E Variable Rate Revenue Bonds and \$7,930,000 of the Hospital's Issue 2017 Series F Variable Rate Revenue Bonds.

The proceeds of the bonds were used to refund the Hospital's Issue 2005 Series B, the Hospital's Issue 2008 Series C and the Hospital's Issue 2008 Series D bonds totaling \$41,515,000. In addition the bond proceeds were used to retire two existing interest rate swaps and provide \$2,500,000 of new project funds to be used to fund capital projects.

The Series E Variable Rate Revenue Bonds are indexed to 72% of the one month LIBOR plus 1.85%. The Series F Variable Rate Revenue Bonds are indexed to 100% of the one month LIBOR plus 2.78%.

THE GRIFFIN HOSPITAL AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES AND ORGANIZATION (CONTINUED)

SUBSEQUENT EVENTS (CONTINUED)

The term of the new bonds is for five years based on a twenty five year amortization.

In conjunction with the refunding, the Hospital retired the existing interest rate swaps and entered into two new swap instruments. The cost to retire the existing swaps was approximately \$7,967,000 and a gain related to the difference between this settlement amount and the fair value of \$9,122,953 as of September 30, 2016 will be recorded in the 2017 statement of operations.

There were no other material subsequent events that required recognition or disclosure in the consolidated financial statements.

NOTE 2 – NET PATIENT SERVICE REVENUE

Net patient service revenue for the years ended September 30, 2016 and 2015 is comprised as follows:

| | 2016 | | | 2015 | | |
|---|-----------------------|----------------------|-----------------------|-----------------------|---------------------|-----------------------|
| | Hospital | GFP | Total | Hospital | GFP | Total |
| Patient service charges | \$ 548,504,191 | \$ 29,587,982 | \$ 578,092,173 | \$ 508,687,133 | \$ 23,873,610 | \$ 532,560,743 |
| Contractual allowances | (387,565,935) | (17,948,881) | (405,514,816) | (363,953,668) | (14,990,328) | (378,943,996) |
| Patient service revenue less contractals | 160,938,256 | 11,639,101 | 172,577,357 | 144,733,465 | 8,883,282 | 153,616,747 |
| Provision for doubtful accounts, net of recoveries | (1,923,631) | (255,799) | (2,179,430) | (1,784,106) | (166,973) | (1,951,079) |
| Net patient service revenue | <u>\$ 159,014,625</u> | <u>\$ 11,383,302</u> | <u>\$ 170,397,927</u> | <u>\$ 142,949,359</u> | <u>\$ 8,716,309</u> | <u>\$ 151,665,668</u> |

The Hospital and GFP have agreements with the Federal Medicare Program (Medicare), the State of Connecticut (State) Medicaid Program (Medicaid), and certain indemnity and managed care programs that determine payments for services rendered to patients covered by these programs.

THE GRIFFIN HOSPITAL AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

NOTE 2 – NET PATIENT SERVICE REVENUE (CONTINUED)

A summary of the payment arrangements with major third-party payors is as follows:

Medicare

The Hospital is reimbursed for services rendered to nonpsychiatric inpatients under the prospective payment system (PPS), under which payments are based on standard national and regional amounts depending on patient diagnosis (Diagnosis Related Group or DRG) and without regard to the Hospital's actual costs. PPS permits additional payments, within specified limitations, to be made for atypical cases (outliers) and graduate medical education. Inpatient psychiatric services are also paid under an Inpatient Psychiatric Facility Prospective payment system established by Medicare.

The Hospital is reimbursed for most outpatient services under a prospective payment methodology based on ambulatory payment classifications (APC) which are paid on standard national and regional amounts for procedures rendered to the patients and without regard to the Hospital's actual costs. The remaining outpatient services (e.g., routine clinical lab, physical therapy) are reimbursed on a fee schedule.

The Hospital is reimbursed for cost reimbursable items at a tentative rate with final settlement after submission of annual cost reports and audits thereof by the Medicare fiscal intermediary. The estimated amounts due to or from the program are reviewed and adjusted annually based on the status of such audits and any subsequent appeals. Differences between final settlements and amounts accrued in previous years are reported as adjustments to net patient service revenue in the year the examination is substantially complete. The Hospital's Medicare cost reports have been audited by the Medicare fiscal intermediary through September 30, 2013.

Medicaid

Inpatient services rendered to Medicaid program beneficiaries admitted prior to January 1, 2015, except for those beneficiaries in the State's Aid to Families with Dependent Children (AFDC) population, were reimbursed under a cost reimbursement methodology. The Hospital was reimbursed a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the State. For inpatients admitted on or after January 1, 2015, the Hospital was reimbursed under an All Patient Refined Diagnosis Related Group System (APR-DRG) where payments were established prospectively. Outpatient services were reimbursed at predetermined fee schedules or based on a percentage of charges. Effective July 1, 2016, Medicaid outpatient services are paid under a Medicaid APC payment system.

THE GRIFFIN HOSPITAL AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

NOTE 2 – NET PATIENT SERVICE REVENUE (CONTINUED)

Other Payors

The Hospital has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the Hospital under these agreements includes prospectively determined rates per discharge, discounts from established charges, prospectively determined per diem rates, and fee schedule payments.

Future Reimbursement

Current trends in the health care industry include mergers and other forms of affiliations among providers, increasing shifts to managed care, an overall reduction in inpatient average length of stay, increasingly restrictive reimbursement policies by governmental and private payors, and the prospect of significant changes in legislation at the State and national level. The Hospital cannot assess or project the ultimate effect of these or other items that may have an impact on the future operations of the Hospital.

NOTE 3 – INVESTMENTS AND FAIR VALUE OF FINANCIAL INSTRUMENTS

INVESTMENTS

Investments, at fair value, at September 30 include:

| | 2016 | | 2015 | |
|------------------------------|---------------------|---------------------|---------------------|---------------------|
| | Cost | Fair Value | Cost | Fair Value |
| Fixed income securities | \$ 4,314,157 | \$ 4,180,357 | \$ 4,076,671 | \$ 3,791,406 |
| Marketable equity securities | <u>4,275,539</u> | <u>5,015,414</u> | <u>5,144,625</u> | <u>5,356,263</u> |
| | <u>\$ 8,589,696</u> | <u>\$ 9,195,771</u> | <u>\$ 9,221,296</u> | <u>\$ 9,147,669</u> |

THE GRIFFIN HOSPITAL AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

NOTE 3 – INVESTMENTS AND FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

ASSETS LIMITED AS TO USE

| | 2016 | | 2015 | |
|--|---------------------|---------------------|---------------------|---------------------|
| | Cost | Fair Value | Cost | Fair Value |
| Board-designated | | | | |
| For capital acquisition | | | | |
| Cash and cash equivalents | \$ 59 | \$ 59 | \$ 59 | \$ 59 |
| For postretirement benefits | | | | |
| Cash and cash equivalents | <u>32,788</u> | <u>32,788</u> | <u>23,927</u> | <u>23,927</u> |
| | <u>32,847</u> | <u>32,847</u> | <u>23,986</u> | <u>23,986</u> |
| Held by trustee under indenture agreement | | | | |
| U.S. Treasury obligations | 4,992,434 | 4,992,434 | 5,013,750 | 5,013,750 |
| Accrued interest receivable | <u>1,103</u> | <u>1,103</u> | <u>41</u> | <u>41</u> |
| | 4,993,537 | 4,993,537 | 5,013,791 | 5,013,791 |
| Less current portion | <u>(757,551)</u> | <u>(757,551)</u> | <u>(724,768)</u> | <u>(724,768)</u> |
| | <u>4,235,986</u> | <u>4,235,986</u> | <u>4,289,023</u> | <u>4,289,023</u> |
| | <u>\$ 4,268,833</u> | <u>\$ 4,268,833</u> | <u>\$ 4,313,009</u> | <u>\$ 4,313,009</u> |

THE GRIFFIN HOSPITAL AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

NOTE 3 – INVESTMENTS AND FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

INVESTMENT RETURN

Investment income and unrealized gains and losses for assets limited as to use, cash equivalents and investments are comprised of the following for 2016 and 2015:

| | 2016 | 2015 |
|--|------------|-------------|
| Income - Unrestricted | | |
| Interest and dividend income | \$ 314,082 | \$ 615,547 |
| Net realized gains | 11,483 | 60,127 |
| Changes in unrealized gains (losses) on investments | 402,923 | (494,719) |
| | \$ 728,488 | \$ 180,955 |
| Income - Temporarily Restricted | | |
| Interest and dividend income | \$ 26,869 | \$ 30,858 |
| Changes in unrealized gains (losses) | 66,193 | (71,788) |
| | \$ 93,062 | \$ (40,930) |

THE GRIFFIN HOSPITAL AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

NOTE 3 – INVESTMENTS AND FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

FAIR VALUE

The following table represents the Hospital's financial assets and liabilities by fair value hierarchy at September 30, 2016:

| | Fair Value Measurements | | | Fair Value |
|---------------------------------|--|---|--|----------------------|
| | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | |
| Investments | | | | |
| Fixed income securities | \$ 4,180,357 | \$ -- | \$ -- | \$ 4,180,357 |
| Marketable equity securities | <u>5,015,414</u> | <u>--</u> | <u>--</u> | <u>5,015,414</u> |
| Total investments | 9,195,771 | -- | -- | 9,195,771 |
| Beneficial interest in trusts | <u>--</u> | <u>--</u> | <u>3,581,854</u> | <u>3,581,854</u> |
| Total assets at fair value | <u>\$ 9,195,771</u> | <u>\$ --</u> | <u>\$ 3,581,854</u> | <u>\$ 12,777,625</u> |
| Liabilities | | | | |
| Interest rate swap liability | <u>\$ --</u> | <u>\$ 9,122,953</u> | <u>\$ --</u> | <u>\$ 9,122,953</u> |
| Total liabilities at fair value | <u>\$ --</u> | <u>\$ 9,122,953</u> | <u>\$ --</u> | <u>\$ 9,122,953</u> |

The following table sets forth a summary of changes in the fair value of the Hospital's Level 3 assets for the year ended September 30, 2016:

| | |
|--|---------------------|
| Balance at September 30, 2015 | \$ 3,450,227 |
| Change in unrealized value of interest in trusts | <u>131,627</u> |
| Balance at September 30, 2016 | <u>\$ 3,581,854</u> |

There were no transfers between levels during 2016 or 2015.

THE GRIFFIN HOSPITAL AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

NOTE 3 – INVESTMENTS AND FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

FAIR VALUE (CONTINUED)

The following table represents the Hospital's financial assets and liabilities by fair value hierarchy at September 30, 2015:

| | Fair Value Measurements | | | Fair Value |
|---------------------------------|--|---|--|----------------------|
| | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | |
| Investments | | | | |
| Fixed income securities | \$ 3,791,406 | \$ -- | \$ -- | \$ 3,791,406 |
| Marketable equity securities | <u>5,356,263</u> | <u>--</u> | <u>--</u> | <u>5,356,263</u> |
| Total investments | 9,147,669 | -- | -- | 9,147,669 |
| Beneficial interest in trusts | <u>--</u> | <u>--</u> | <u>3,450,227</u> | <u>3,450,227</u> |
| Total assets at fair value | <u>\$ 9,147,669</u> | <u>\$ --</u> | <u>\$ 3,450,227</u> | <u>\$ 12,597,896</u> |
| Liabilities | | | | |
| Interest rate swap liability | <u>\$ --</u> | <u>\$ 7,643,841</u> | <u>\$ --</u> | <u>\$ 7,643,841</u> |
| Total liabilities at fair value | <u>\$ --</u> | <u>\$ 7,643,841</u> | <u>\$ --</u> | <u>\$ 7,643,841</u> |

The following table sets forth a summary of changes in the fair value of the Hospital's Level 3 assets for the year ended September 30, 2015:

| | |
|--|---------------------|
| Balance at September 30, 2014 | \$ 3,760,171 |
| Change in unrealized value of interest in trusts | <u>(309,944)</u> |
| Balance at September 30, 2015 | <u>\$ 3,450,227</u> |

THE GRIFFIN HOSPITAL AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

NOTE 4 – PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment and accumulated depreciation as of September 30, 2016 and 2015 are summarized as follows:

| | 2016 | 2015 |
|-------------------------------|----------------------|----------------------|
| Land and improvements | \$ 5,177,783 | \$ 5,159,808 |
| Buildings and improvements | 77,754,260 | 73,899,137 |
| Fixed and movable equipment | <u>74,373,195</u> | <u>75,185,308</u> |
| | 157,305,238 | 154,244,253 |
| Less accumulated depreciation | <u>(103,776,511)</u> | <u>(102,293,531)</u> |
| | 53,528,727 | 51,950,722 |
| Construction-in-progress | <u>253,249</u> | <u>1,277,687</u> |
| | <u>\$ 53,781,976</u> | <u>\$ 53,228,409</u> |

Depreciation expense was \$4,529,189 and \$4,682,072 for 2016 and 2015, respectively.

There are no capital lease assets in property, plant and equipment at September 30, 2016 or 2015.

NOTE 5 – INSURANCE LIABILITY LOSS RESERVES

HAIC insures the professional and general liabilities of the Hospital under a claims-made policy with a retroactive date of October 1, 1986. There are known claims and incidents that may result in the assertion of additional claims as well as claims from unknown incidents that may be asserted arising from services provided to patients. The Hospital has utilized independent actuaries to estimate the ultimate costs, if any, of the settlement of such claims. Accrued malpractice reserves for professional and general liability, have been discounted at 3.00% at September 30, 2016 and 2015. In management's opinion, these reserves provide an adequate reserve for losses. The Hospital has purchased excess insurance coverage to cover claims in excess of \$1,500,000 and \$4,500,000 in the aggregate.

THE GRIFFIN HOSPITAL AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

NOTE 5 – INSURANCE LIABILITY LOSS RESERVES (CONTINUED)

Effective January 1, 2003, the Hospital began retaining the first \$250,000 of all loss and allocated loss adjustment expense per accident for its workers' compensation exposure. Excess coverage above \$250,000 per accident was purchased. Beginning January 1, 2007, the per occurrence retention was increased to \$300,000. Annual aggregate coverage was also purchased which provides \$1 million of coverage above a maximum limit of retained losses within the per occurrence retention. Beginning October 1, 2010, the per occurrence retention was increased to \$400,000 and the annual aggregate coverage was discontinued. As of October 1, 2014, the per occurrence retention was increased to \$450,000. The workers' compensation reserves have been discounted at 2.5% at September 30, 2016 and 2015 and in management's opinion provide an adequate reserve for loss contingencies.

The Hospital also has recorded self-insurance reserves for its employee health plan, for the deductible portion of workers' compensation indemnity losses from January 1, 1999 and prior, and for the medical cost component of its workers' compensation losses prior to January 1, 2003, subject to certain umbrella and stop-loss coverage limits. The Hospital accrues its best estimate of its retained liability for occurrences through each balance sheet date.

Effective March 28, 2013, the Hospital entered into a novation agreement with American Insurance Group Inc., where it legally transferred all exposure relating to primary layer professional liability and physicians' professional liability policies issued to the Hospital in the years 2006/07, 2007/08, 2009/10, 2010/11 and 2011/12, by making a onetime premium payment of \$7,400,000. The loss portfolio transfer effectively transfers the liabilities and subsequent adverse claim development risk to a third-party insurer.

THE GRIFFIN HOSPITAL AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

NOTE 6 – LONG-TERM DEBT

Long-term debt consists of the following at September 30, 2016 and 2015:

| | 2016 | 2015 |
|---|---------------|---------------|
| State of Connecticut Health and Educational Facilities Authority | | |
| Series B | \$ 11,990,000 | \$ 13,390,000 |
| Series C | 19,850,000 | 20,450,000 |
| Series D | 9,675,000 | 9,900,000 |
| Loans payable | 1,563,519 | 2,140,557 |
| Premium and discount on bonds, net of accumulated accretion and amortization of \$614,841 and \$548,706, respectively | 226,448 | 293,321 |
| | 43,304,967 | 46,173,878 |
| Less current portion | (5,028,090) | (5,013,100) |
| | \$ 38,276,877 | \$ 41,160,778 |

The State of Connecticut Health and Educational Facilities Authority Revenue Bonds, The Griffin Hospital Issue, Series B, totaling \$24,800,000 were issued in February 2005. The Series B bonds bear interest at rates ranging from 2.4% to 5.0%. Interest is due semi-annually on January 1 and July 1. A bond premium of \$969,815 and bond issuance costs of \$1,196,512 are being amortized over the life of the bond using the effective interest rate method. The Series B bonds are insured by Radian Asset Guaranty Corporation. The bonds are payable annually each July 1 through July 1, 2023. The Series B bonds are subject to redemption prior to maturity. The estimated fair values of the Series B bonds were approximately \$12,000,000 and \$13,426,000 at September 30, 2016 and 2015, respectively, based on discounted cash flow analysis.

In May 2007, CHEFA issued \$23,125,000 revenue bonds, The Griffin Hospital Issue, Series C and \$10,925,000 variable rate revenue bonds, The Griffin Hospital Issue, Series D.

In May 2008, the Hospital refunded The Griffin Hospital Issue 2007 Series C and The Griffin Hospital Issue 2007 Series D bonds, which were initially issued as auction rate bonds, and issued \$23,125,000 Griffin Hospital Issue 2008 Series C Variable Rate Demand bonds and \$10,925,000 Griffin Hospital Issue 2008 Series D Variable Rate Demand Bonds (together referred to as Series 2008 Bonds). The Series 2008 Bonds are insured by Radian Asset Guaranty Corporation. The interest rate on the Series C and Series D bonds was .77% and .63%, respectively, as of September 30, 2016.

THE GRIFFIN HOSPITAL AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

NOTE 6 – LONG-TERM DEBT (CONTINUED)

The estimated fair values of the Series C and Series D bonds were approximately \$19,850,000 and \$9,675,000 at September 30, 2016, respectively, and \$20,450,000 and \$9,900,000 at September 30, 2015, respectively, based on discounted cash flow analysis.

In order to provide liquidity for the Series 2008 Bonds, the Hospital has a standby letter of credit with Wells Fargo Bank N.A. for \$34,050,000 which expires in May 2017. Should the Series 2008 Bonds be put back, and the standby letter of credit be called, the Hospital would be required to repay the principal ratably over a 5-year period, beginning 180 days following the put.

Under the terms of the CHEFA bonds, the Obligated Group (the Hospital, GHSC and GHDF) are required to maintain 50 days operating cash on hand, an average payment period days of less than 110 days and a debt service coverage ratio of 1.2 to 1. Additionally, the Obligated Group is required to maintain a capitalization ratio excluding any realized or unrealized gains or losses on the interest rate swap instrument of less than .65.

The CHEFA bonds are collateralized by the gross receipts of the Obligated Group and certain real property of the Hospital.

In August 2014, the Hospital entered into a loan in the amount of \$735,000 to finance certain diagnostic equipment. The loan is for five years at a rate of 4.5% payable monthly in a fixed amount of \$13,703 per month.

In December 2014, the Hospital entered into a loan in the amount of \$1,820,000 to retire a capital lease obligation related to an air handler. The loan is for five years at a rate of 4.5% payable monthly in a fixed amount of \$41,550 per month.

Aggregate scheduled principal payments on all long-term debt are as follows:

| | |
|------------|----------------------|
| 2017 | \$ 2,950,590 |
| 2018 | 3,107,623 |
| 2019 | 2,900,306 |
| 2020 | 2,705,000 |
| 2021 | 2,840,000 |
| Thereafter | <u>28,575,000</u> |
| | <u>\$ 43,078,519</u> |

THE GRIFFIN HOSPITAL AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

NOTE 6 – LONG-TERM DEBT (CONTINUED)

To the extent the Hospital is unable to remarket the Series 2008 bonds, the Hospital would be obligated to repurchase these bonds from the proceeds of the Hospital's standby letter of credit. The previous debt maturities table reflects the payment of principal on these bonds according to their scheduled maturity dates. If the Series 2008 bonds were fully tendered by the bondholders to the Hospital as of September 30, 2016, the table of annual principal payments would become:

| | | |
|------------|--|----------------------|
| 2017 | | \$ 5,028,090 |
| 2018 | | 8,087,623 |
| 2019 | | 7,855,306 |
| 2020 | | 7,610,000 |
| 2021 | | 7,695,000 |
| Thereafter | | <u>6,802,500</u> |
| | | <u>\$ 43,078,519</u> |

On January 20, 2017, the Hospital refunded its Series B, C and D CHEFA debt when CHEFA issued \$40,652,000 Griffin Hospital Issue 2017 Series E Variable Rate Revenue Bonds and \$7,930,000 Griffin Hospital Issue 2017 Series F Variable Rate Revenue Bonds. (See Note 1 for additional information). The schedules of principal payments above do not reflect the impact of the CHEFA debt issued subsequent to September 30, 2016.

Under the terms of the bond agreements, the Hospital is required to maintain certain funds with a trustee for specified purposes and time periods. Required payments to the trustee are made by the Hospital in amounts sufficient to provide for the payment of principal, interest and sinking fund installments as they become due, and certain other payments. Assets held by the trustee pursuant to the indentures as of September 30, 2016 and 2015 are as follows:

| | 2016 | 2015 |
|-----------------------------|---------------------|---------------------|
| Debt service reserve fund | \$ 4,214,895 | \$ 4,288,982 |
| Debt service fund | 189,519 | 167,491 |
| Principal fund | 588,020 | 557,277 |
| Accrued interest receivable | <u>1,103</u> | <u>41</u> |
| | 4,993,537 | 5,013,791 |
| Less current portion | <u>(757,551)</u> | <u>(724,768)</u> |
| | <u>\$ 4,235,986</u> | <u>\$ 4,289,023</u> |

THE GRIFFIN HOSPITAL AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

NOTE 6 – LONG-TERM DEBT (CONTINUED)

DERIVATIVE INSTRUMENTS

The Hospital initially issued its Series 2007 Series C and 2007 Series D bonds bearing interest at a variable rate. In May 2007, the Hospital entered into two interest rate swap agreements to manage interest rate risk. These agreements involve payment of fixed rate interest payments by the Hospital in exchange for the receipt of variable rate interest payments from the counterparties, based on a percentage of the London Interbank Offered Rate (LIBOR). In 2008, the Hospital refinanced the Series 2007 bonds and issued the Series 2008 Bonds. These bonds also bear interest at a variable rate. The two original swap agreements continue to be utilized by the Hospital to manage its interest rate risk. At September 30, 2016, the notional amounts and the fixed interest rates of the derivative financial instruments were \$19,850,000 at 3.7% (Series 2008 Issue C nontaxable bonds) and \$9,675,000 at 5.4% (Series 2008 Issue D taxable bonds), respectively.

Upon the occurrence of certain events of default or termination events identified in the derivative contracts, either the Hospital or the counterparty could terminate the contract in accordance with its terms. Termination would result in the payment of a termination amount by one party to compensate the other party for its economic losses. The cost of termination would depend, in major part, on the then current interest rate levels, and if the interest rate levels were then lower than those specified in the derivative contract, the cost of termination to the Hospital could be significant.

The fair value of these derivatives was a liability of \$9,122,953 and \$7,643,841 as of September 30, 2016 and 2015, respectively, which is included in long-term liabilities. Reference is made to Note 1 regarding the methods utilized to determine the fair value of the interest rate swaps which have been categorized as Level 2 in the fair value hierarchy. The impact of the change in fair value was a loss of \$1,479,112 and \$1,207,342 for the years ended September 30, 2016 and 2015, respectively. This change is included in the net realized and unrealized losses on interest rate swap agreements, which also includes the net periodic settlement payments related to the swap agreements of \$1,187,825 and \$1,273,412 for 2016 and 2015, respectively.

The following table lists the fair value of derivatives by contract type included in the consolidated balance sheets at September 30, 2016 and 2015.

| | 2016 | |
|---|---------------------|----------------|
| | Initial Notional | Fair Value |
| Derivatives not designed as hedging instruments | | |
| Interest rate swaps | \$ 34,050,000 | \$ (9,122,953) |

THE GRIFFIN HOSPITAL AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

NOTE 6 – LONG-TERM DEBT (CONTINUED)

DERIVATIVE INSTRUMENTS (CONTINUED)

| | 2015 | |
|---|---------------------|----------------|
| | Initial Notional | Fair Value |
| Derivatives not designed as hedging instruments | | |
| Interest rate swaps | \$ 34,050,000 | \$ (7,643,841) |

The following table indicates the realized and unrealized losses by contract type, as included in the consolidated statements of operations for the years ended September 30, 2016 and 2015:

| | 2016 | |
|---|--|------------------------|
| | Location of Loss on Derivatives | Loss on Derivatives |
| Derivatives not designed as hedging instruments | | |
| Interest rate swaps | Net realized and unrealized losses on interest rate swaps | \$ (2,666,937) |

| | 2015 | |
|---|--|------------------------|
| | Location of Loss on Derivatives | Loss on Derivatives |
| Derivatives not designed as hedging instruments | | |
| Interest rate swaps | Net realized and unrealized losses on interest rate swaps | \$ (2,480,754) |

THE GRIFFIN HOSPITAL AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

NOTE 7 – OTHER DEBT ARRANGEMENTS AND GUARANTEES

On March 5, 2005, the Hospital entered into a \$262,500 letter of credit agreement with Wells Fargo Bank which was reduced to \$50,000 on January 21, 2010. On December 8, 2014, the Hospital entered into a \$800,000 letter of credit with Atlantic Specialty Insurance Company. No borrowings have been made on either letter of credit as of September 30, 2016 or 2015.

NOTE 8 – LEASE COMMITMENTS

CAPITAL LEASES

The Hospital leased certain equipment under capital leases which ended in 2015.

OPERATING LEASES

The Hospital leases various equipment and office space under operating leases, expiring at various dates through 2021. Some of these leases contain renewal options. Rent expense is recorded on a straight-line basis over the terms of the leases. Rent expense under such leases was approximately \$1,299,339 and \$1,225,881 for the years ended September 30, 2016 and 2015, respectively.

Future minimum rental payments as of September 30, 2016 under noncancellable operating leases are as follows:

| | | |
|------|--|----------------------------|
| 2017 | | \$ 1,473,984 |
| 2018 | | 1,373,551 |
| 2019 | | 1,340,594 |
| 2020 | | 1,073,153 |
| 2021 | | <u>881,605</u> |
| | | <u><u>\$ 6,142,887</u></u> |

THE GRIFFIN HOSPITAL AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

NOTE 9 – TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes as of September 30, 2016 and 2015:

| | 2016 | 2015 |
|--|---------------------|---------------------|
| Unspent income and appreciation on endowment funds expendable for specified health care services | \$ 906,943 | \$ 775,251 |
| Restricted for purchase of equipment | 596,310 | 1,927,141 |
| Restricted specified health care services | <u>1,229,376</u> | <u>1,365,179</u> |
| | <u>\$ 2,732,629</u> | <u>\$ 4,067,571</u> |

Permanently restricted net assets at September 30, 2016 and 2015 are comprised as follows:

| | 2016 | 2015 |
|---|---------------------|---------------------|
| Investments to be held in perpetuity, the income of which is expendable to support health care services | \$ 417,645 | \$ 417,645 |
| Interest in permanently restricted net assets of GHDF's endowment, the income of which is expendable for specified health care services | 1,742,616 | 1,742,616 |
| Beneficial interest in trusts | <u>3,581,854</u> | <u>3,450,227</u> |
| | <u>\$ 5,742,115</u> | <u>\$ 5,610,488</u> |

THE GRIFFIN HOSPITAL AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

NOTE 10 – TRANSACTIONS WITH AFFILIATED CORPORATIONS

Due from affiliates represents amounts receivable for various monthly operating expenses and other operating purposes paid by the Hospital. The following summarizes the due from affiliates as of September 30:

| | 2016 | 2015 |
|---|---------------------|---------------------|
| Healthcare Alliance Insurance Company, Ltd. | \$ 4,279,512 | \$ 2,744,414 |
| G.H. Ventures, Inc. | 1,826,832 | 1,979,739 |
| Planetree, Inc. | 1,520,939 | 1,518,117 |
| Griffin Hospital Development Fund | 35,991 | 21,117 |
| Griffin Pharmacy and Gifts | 178,716 | 85,317 |
| | <u>\$ 7,841,990</u> | <u>\$ 6,348,704</u> |

The following summarizes the due to affiliates as of September 30:

| | 2016 | 2015 |
|-------------------------------------|-------------------|-------------------|
| Griffin Health Services Corporation | \$ 276,634 | \$ 276,634 |
| G.H. Ventures, Inc. | <u>--</u> | <u>35,149</u> |
| | <u>\$ 276,634</u> | <u>\$ 311,783</u> |

The Hospital incurs charges related to various administrative and operating expenses, including salaries and related costs for all affiliated entities. The Hospital allocates such amounts to the affiliated entities based on actual costs incurred.

G. H. VENTURES, INC.

The Hospital paid certain operating expenses for GHV which totaled approximately \$565,484 and \$305,707 in 2016 and 2015, respectively. These payments were recorded as transfers to affiliates in the consolidated statements of changes in net assets. GHV repaid the Hospital approximately \$182,906 in 2016 related to the amount that it owed to the Hospital.

THE GRIFFIN HOSPITAL AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

NOTE 10 – TRANSACTIONS WITH AFFILIATED CORPORATIONS (CONTINUED)

GRIFFIN HOSPITAL DEVELOPMENT FUND

The Hospital paid operating expenses for GHDF totaling approximately \$466,298 and \$345,085 in 2016 and 2015, respectively. These payments were recorded as transfers to affiliates in the consolidated statements of changes in net assets.

GRIFFIN PHARMACY AND GIFTS

The Hospital advanced operating expenses for GP&G totaling approximately \$841,185 and \$486,335 in 2016 and 2015, respectively. GP&G reimbursed the Hospital approximately \$434,786 and \$598,628 in 2016 and 2015, respectively, for these expenses. During the year ended September 30, 2016, GP&G transferred net assets of \$313,000 to the Hospital which is included in the net transfers to affiliates in the consolidated statements of changes in net assets.

HEALTHCARE ALLIANCE INSURANCE COMPANY, LTD.

The Hospital obtains professional and general liability coverage under a policy between GHSC and HAIC (Note 5). Total premiums incurred for this insurance coverage in 2016 and 2015 were approximately \$2,839,763 and \$2,412,307, respectively. The Hospital pays claims processing expenses on behalf of HAIC and is subsequently reimbursed for these expenses. As of September 30, 2016 and 2015, the Hospital was due \$4,279,512 and \$2,744,414, respectively, from HAIC for favorable claim development net of insurance premiums due. GHSC is a one half owner of HAIC that controls HAIC.

PLANETREE, INC.

The Hospital advanced operating expenses for Planetree totaling approximately \$663,583 and \$700,940 in 2016 and 2015, respectively. Planetree reimbursed the Hospital approximately \$660,761 and \$688,646 in 2016 and 2015, respectively.

NOTE 11 – PENSION AND OTHER POSTRETIREMENT BENEFITS

PENSION BENEFITS

The Hospital sponsors a noncontributory defined benefit pension plan that covered substantially all of its employees until the plan was frozen in March 2016 and provides for retirement and death benefits. The Hospital's policy is to fund actuarially determined pension costs as accrued.

THE GRIFFIN HOSPITAL AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

NOTE 11 – PENSION AND OTHER POSTRETIREMENT BENEFITS (CONTINUED)

PENSION BENEFITS (CONTINUED)

Effective May 1, 2010, credited service accruals under the retirement plan for employees of the Hospital were frozen for the April 1, 2010 to March 31, 2012 period. Participants continued to earn vesting service during the freeze period and pay increases during the freeze period were reflected in participant's final earnings calculation however no credited service was earned for the period from April 1, 2010 to March 31, 2012. Effective April 1, 2012, the plan freeze was terminated and credit service accruals were reestablished at a reduced rate.

The Hospital froze the defined benefit pension plan effective March 31, 2016 and introduced an employer 403(b) match and core contribution to the existing Griffin Hospital 403(b) Retirement Savings Plan. Effective with the freeze, no further benefits will accrue to plan participants. The freezing of the plan constituted a curtailment, the recognition of which was reflected in the year ended September 30, 2016. The curtailment resulted in recognition of 100% of the negative prior service cost of \$5,613,532 which offset the net periodic benefit cost of \$3,074,644 resulting in a net pension credit to expense of \$2,538,888 for the year ended September 30, 2016.

The Hospital's accumulated benefit obligation was \$119,951,154 and \$112,007,558 at September 30, 2016 and 2015, respectively.

Subsequent to the freezing of the defined benefit pension plan, the plan was amended to offer eligible participants the option to receive a one-time lump sum payout of their vested benefit. The election period of this one-time lump sum payment began July 6, 2016 and ended August 26, 2016. The elected payments were completed as of September 30, 2016. Of those eligible participants, 224 or 60.8% elected to take the lump sum option which amounted to a total payout of \$4,335,382.

OTHER POSTRETIREMENT BENEFITS

The Hospital also provides certain health care and life insurance benefits for eligible retired employees and their dependents. Substantially all of the Hospital's full-time employees may become eligible for these benefits upon retirement if certain age and service criteria are met. Effective January 1, 2004, employees will need to be at least age 62 at retirement to be eligible for coverage. Employees who are eligible for these benefits at the time of their retirement and who meet the requirements to receive an immediate pension plan benefit are provided continued health and life insurance coverage throughout their retirement. The plan is unfunded.

THE GRIFFIN HOSPITAL AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

NOTE 11 – PENSION AND OTHER POSTRETIREMENT BENEFITS (CONTINUED)

Pertinent information relating to these plans is as follows, based on a September 30 measurement date:

| | Pension Benefits | | Other Postretirement Benefits | |
|---|------------------------|------------------------|-------------------------------|-----------------------|
| | 2016 | 2015 | 2016 | 2015 |
| Change in projected benefit obligation | | | | |
| Benefit obligation, | | | | |
| beginning of year | \$ 113,727,413 | \$ 104,391,793 | \$ 9,266,609 | \$ 8,964,526 |
| Service cost | 990,183 | 1,752,336 | 267,685 | 296,143 |
| Interest cost | 4,655,647 | 4,212,467 | 380,618 | 360,246 |
| Effect of curtailment | (2,502,421) | -- | -- | -- |
| Actuarial loss | 12,019,444 | 7,749,339 | 852,197 | 81,643 |
| Benefits paid | <u>(8,939,102)</u> | <u>(4,378,522)</u> | <u>(400,340)</u> | <u>(435,949)</u> |
| | | | | |
| Benefit obligation, | | | | |
| end of year | <u>119,951,164</u> | <u>113,727,413</u> | <u>10,366,769</u> | <u>9,266,609</u> |
| Change in plan assets | | | | |
| Fair value of plan assets, | | | | |
| beginning of year | 68,666,949 | 69,360,879 | -- | -- |
| Actual return on plan assets | 7,474,067 | (1,320,392) | -- | -- |
| Employer contributions | 3,514,807 | 5,004,985 | 400,340 | 435,949 |
| Benefits paid | <u>(8,939,102)</u> | <u>(4,378,523)</u> | <u>(400,340)</u> | <u>(435,949)</u> |
| | | | | |
| Fair value of plan assets, | | | | |
| end of year | <u>70,716,721</u> | <u>68,666,949</u> | <u>--</u> | <u>--</u> |
| | | | | |
| Unfunded status - | | | | |
| recognized as a liability | <u>\$ (49,234,443)</u> | <u>\$ (45,060,464)</u> | <u>\$ (10,366,769)</u> | <u>\$ (9,266,609)</u> |

THE GRIFFIN HOSPITAL AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

NOTE 11 – PENSION AND OTHER POSTRETIREMENT BENEFITS (CONTINUED)

Components of net periodic benefit cost are as follows:

| | Pension Benefits | | Other Postretirement Benefits | |
|---|-----------------------|---------------------|-------------------------------|-------------------|
| | 2016 | 2015 | 2016 | 2015 |
| Service cost | \$ 990,183 | \$ 1,752,336 | \$ 267,685 | \$ 296,143 |
| Interest cost | 4,655,647 | 4,212,467 | 380,618 | 360,246 |
| Expected return on plan assets | (5,234,938) | (5,519,056) | -- | -- |
| Amortization of unrecognized transition obligation | (560,942) | (1,121,883) | -- | -- |
| Net actuarial loss | <u>3,224,694</u> | <u>3,416,353</u> | <u>321,482</u> | <u>334,556</u> |
| Net periodic benefit cost | 3,074,644 | 2,740,217 | 969,785 | 990,945 |
| Amount recognized from curtailment | <u>(5,613,532)</u> | <u>--</u> | <u>--</u> | <u>--</u> |
| (Credit) expense recorded in the statement of operations | <u>\$ (2,538,888)</u> | <u>\$ 2,740,217</u> | <u>\$ 969,785</u> | <u>\$ 990,945</u> |

Amounts recognized in the consolidated balance sheets consist of:

| | Pension Benefits | | Other Postretirement Benefits | |
|------------------------|----------------------|----------------------|-------------------------------|---------------------|
| | 2016 | 2015 | 2016 | 2015 |
| Current liabilities | \$ -- | \$ -- | \$ 572,000 | \$ 496,000 |
| Noncurrent liabilities | <u>49,234,443</u> | <u>45,060,464</u> | <u>9,794,769</u> | <u>8,770,609</u> |
| Total liabilities | <u>\$ 49,234,443</u> | <u>\$ 45,060,464</u> | <u>\$ 10,366,769</u> | <u>\$ 9,266,609</u> |

THE GRIFFIN HOSPITAL AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

NOTE 11 – PENSION AND OTHER POSTRETIREMENT BENEFITS (CONTINUED)

PENSION PLAN

Amounts in consolidated unrestricted net assets that are not yet recognized as a component of net periodic benefit cost are as follows:

| | 2016 | 2015 |
|-----------------------------|---------------|----------------|
| Negative prior service cost | \$ -- | \$ (6,174,474) |
| Net actuarial loss | 62,103,337 | 58,050,137 |
| | \$ 62,103,337 | \$ 51,875,663 |

Other changes in plan assets and benefit obligations recognized in other changes in unrestricted net assets:

| | 2016 | 2015 |
|--------------------------------|--------------|---------------|
| Net actuarial loss | \$ 9,780,315 | \$ 14,588,787 |
| Amortization of actuarial loss | (3,224,694) | (3,416,353) |
| | \$ 6,555,621 | \$ 11,172,434 |

Expected amounts to be amortized from unrestricted net assets into net periodic benefit cost for the next fiscal year:

| | |
|----------------|--------------|
| Actuarial loss | \$ 1,642,710 |
|----------------|--------------|

Effective September 30, 2015, the Hospital updated the mortality assumptions to align with the mortality tables and improvement scales released by the Society of Actuaries in the fall of 2015. This update resulted in an increase to the Hospital's projected benefit obligation of approximately \$7,830,229 in 2015 which is included in the accrued pension liability in the consolidated balance sheets.

THE GRIFFIN HOSPITAL AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

NOTE 11 – PENSION AND OTHER POSTRETIREMENT BENEFITS (CONTINUED)

POSTRETIREMENT PLAN

Amounts in unrestricted net assets that are not yet recognized on a component of net periodic benefit cost are as follows:

| | 2016 | 2015 |
|--------------------------|--------------|--------------|
| Net prior service credit | \$ -- | \$ -- |
| Net actuarial loss | 4,800,754 | 4,270,039 |
| | \$ 4,800,754 | \$ 4,270,039 |

Other changes in benefit obligations recognized in other changes in unrestricted net assets are:

| | 2016 | 2015 |
|--------------------|------------|--------------|
| Net actuarial loss | \$ 852,197 | \$ 81,642 |
| Amortization of | | |
| Prior service cost | -- | -- |
| Actuarial gain | (321,482) | (334,556) |
| | \$ 530,715 | \$ (252,914) |

Expected amounts to be amortized from unrestricted net assets into net periodic benefit cost for the next fiscal year:

| | |
|----------------|------------|
| Actuarial loss | \$ 366,691 |
|----------------|------------|

THE GRIFFIN HOSPITAL AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

NOTE 11 – PENSION AND OTHER POSTRETIREMENT BENEFITS (CONTINUED)

ACTUARIAL ASSUMPTIONS

Actuarial assumptions are as follows:

| | Pension Benefits | | Other Benefits | |
|--|------------------|-------|----------------|-------|
| | 2016 | 2015 | 2016 | 2015 |
| Weighted average assumptions used to determine year end benefit obligation: | | | | |
| Discount rate | 3.43% | 4.23% | 3.43% | 4.23% |
| Rate of compensation increase | N/A | 4.00% | N/A | N/A |
| | | | | |
| | Pension Benefits | | Other Benefits | |
| | 2016 | 2015 | 2016 | 2015 |
| Weighted average assumptions used to determine net periodic benefit cost: | | | | |
| Discount rate | 4.23% | 4.13% | 4.23% | 4.13% |
| Expected long-term return on plan assets | 7.50% | 7.85% | N/A | N/A |
| Rate of compensation increase | 4.00% | 4.00% | N/A | N/A |
| | | | | |
| | Pre-65 | | Post-65 | |
| | 2016 | 2015 | 2016 | 2015 |
| Health care cost trend rate assumed for next year | 6.00% | 6.50% | 6.00% | 6.50% |
| Rate to which the cost trend is assumed to decline (the ultimate trend rate) | 3.84% | 5.00% | 3.84% | 5.00% |
| Year that the rate reaches the ultimate trend rate | 2076 | 2019 | 2076 | 2019 |

THE GRIFFIN HOSPITAL AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

NOTE 11 – PENSION AND OTHER POSTRETIREMENT BENEFITS (CONTINUED)

ACTUARIAL ASSUMPTIONS (CONTINUED)

A one-percentage-point change in assumed health care cost trend rates would have the following effects on:

| <i>(in 000's)</i> | 1-Percentage Point Increase | 1-Percentage Point Decrease |
|--------------------------------------|-----------------------------------|-----------------------------------|
| Service and interest cost components | \$ 20,618 | \$ (18,044) |
| Postretirement benefit obligation | 192,279 | (176,952) |

CONTRIBUTIONS

The Hospital expects to contribute approximately \$3,547,000 to its pension plan and \$572,000 to its other postretirement benefit plan in fiscal year 2017.

ESTIMATED FUTURE BENEFIT PAYMENTS

The following benefit payments, which reflect expected future service, are expected to be paid during the years ending September 30:

| | Pension Benefits | Other Benefits |
|-------------|---------------------|-------------------|
| 2017 | \$ 5,011,000 | \$ 572,000 |
| 2018 | 5,379,000 | 655,000 |
| 2019 | 5,589,000 | 627,000 |
| 2020 | 5,883,000 | 632,000 |
| 2021 | 6,136,000 | 636,000 |
| 2022 - 2026 | 32,785,000 | 3,394,000 |

THE GRIFFIN HOSPITAL AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

NOTE 11 – PENSION AND OTHER POSTRETIREMENT BENEFITS (CONTINUED)

PLAN ASSETS

Pension plan assets are invested as follows:

| | 2016 | 2015 |
|---------------------------|------|------|
| Asset category | | |
| Cash and cash equivalents | 1% | 1% |
| U.S. Large cap | 34% | 36% |
| U.S. Small cap | 8% | 8% |
| International equity | 12% | 11% |
| Alternative investments | 7% | 7% |
| Fixed income | 34% | 33% |
| Real estate | 4% | 4% |
| | 100% | 100% |
| | 2016 | 2015 |
| Target asset allocations | | |
| U.S. Large cap | 27% | 27% |
| U.S. Small cap | 7% | 7% |
| International equity | 12% | 12% |
| Alternative investments | 10% | 10% |
| Fixed income | 40% | 40% |
| Real estate | 4% | 4% |
| | 100% | 100% |

THE GRIFFIN HOSPITAL AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

NOTE 11 – PENSION AND OTHER POSTRETIREMENT BENEFITS (CONTINUED)

PLAN ASSETS (CONTINUED)

The fair value of plan assets as of September 30, 2016, by asset category was as follows:

| <i>(in thousands)</i> | September 30, 2016 | | | Total |
|---------------------------|---|---|--|-----------|
| | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | |
| Cash and cash equivalents | \$ 437 | \$ -- | \$ -- | \$ 437 |
| U.S. Large cap | 24,288 | -- | -- | 24,288 |
| U.S. Small cap | 5,687 | -- | -- | 5,687 |
| International equity | 8,453 | -- | -- | 8,453 |
| Alternative investments | 2,129 | -- | 2,959 | 5,088 |
| Fixed income | 23,954 | -- | -- | 23,954 |
| Real estate mutual funds | 2,810 | -- | -- | 2,810 |
| | \$ 67,758 | \$ -- | \$ 2,959 | \$ 70,717 |

The fair value of plan assets as of September 30, 2015, by asset category was as follows:

| <i>(in thousands)</i> | September 30, 2015 | | | Total |
|---------------------------|---|---|--|-----------|
| | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | |
| Cash and cash equivalents | \$ 714 | \$ -- | \$ -- | \$ 714 |
| U.S. Large cap | 24,552 | -- | -- | 24,552 |
| U.S. Small cap | 5,262 | -- | -- | 5,262 |
| International equity | 7,861 | -- | -- | 7,861 |
| Alternative investments | 1,878 | -- | 2,910 | 4,788 |
| Fixed income | 22,631 | -- | -- | 22,631 |
| Real estate mutual funds | 2,859 | -- | -- | 2,859 |
| | \$ 65,757 | \$ -- | \$ 2,910 | \$ 68,667 |

THE GRIFFIN HOSPITAL AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

NOTE 11 – PENSION AND OTHER POSTRETIREMENT BENEFITS (CONTINUED)

ASSET INVESTMENT STRATEGY

The Hospital has adopted a liability driven investment (LDI) strategy. The primary focus is to minimize the volatility of the funding ratio by aligning the plan's assets with its liabilities in terms of how both respond to interest rate changes; this is then followed by an investment objective strategy to achieve a satisfactory rate of return based on the asset allocation profile in the long term and satisfy the plan's benefit obligations, while incurring an acceptable pension cost to the sponsor in the long run. The objective will result in a prescribed asset mix between return seeking assets and a LDI bond portfolio.

NOTE 12 – CONCENTRATIONS OF CREDIT RISK

The Hospital grants credit without collateral to its patients, most of who are local residents and are insured under third-party payor agreements. The mix in patient accounts receivable as of September 30, 2016 and 2015 before allowances for doubtful accounts consisted of the following:

| | 2016 | 2015 |
|-----------------------|-------------|-------------|
| Medicare and Medicaid | 29% | 26% |
| Commercial insurance | 22% | 21% |
| Managed care | 37% | 35% |
| Self-pay patients | 12% | 18% |
| | <u>100%</u> | <u>100%</u> |

NOTE 13 – FUNCTIONAL EXPENSES

The Hospital provides general health care services to residents within its geographic location. Expenses relating to providing these services at September 30, 2016 and 2015 are as follows:

| | 2016 | 2015 |
|----------------------------|-----------------------|-----------------------|
| Patient care and clinical | \$ 142,111,651 | \$ 126,502,723 |
| General and administrative | <u>25,083,070</u> | <u>28,734,213</u> |
| | <u>\$ 167,194,721</u> | <u>\$ 155,236,936</u> |

THE GRIFFIN HOSPITAL AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

NOTE 14 – ENDOWMENTS

The Hospital's endowment funds consist of donor restricted funds to be invested in perpetuity to provide a permanent source of income. The net assets associated with endowment funds are classified and reported based on the existence or absence of donor imposed restrictions.

The Hospital has interpreted the Connecticut UPMIFA statute as requiring the preservation 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 (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor restricted endowment 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 of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Hospital considers the following factors in making a determination to appropriate or accumulate 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.

THE GRIFFIN HOSPITAL AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

NOTE 14 – ENDOWMENTS (CONTINUED)

Endowment net asset composition by type of fund as of September 30 is as follows:

| | 2016 | | |
|---|---------------------------|---------------------------|---------------------|
| | Temporarily Restricted | Permanently Restricted | Total |
| Endowment net assets, beginning of year | \$ 1,240,428 | \$ 2,160,261 | \$ 3,400,689 |
| Investment income and net appreciation (realized and unrealized) | 252,030 | -- | 252,030 |
| Assets released from restriction | <u>(373,002)</u> | <u>--</u> | <u>(373,002)</u> |
| | <u>\$ 1,119,456</u> | <u>\$ 2,160,261</u> | <u>\$ 3,279,717</u> |
| | 2015 | | |
| | Temporarily Restricted | Permanently Restricted | Total |
| Endowment net assets, beginning of year | \$ 1,357,469 | \$ 2,160,261 | \$ 3,517,730 |
| Investment income and net depreciation (realized and unrealized) | <u>(117,041)</u> | <u>--</u> | <u>(117,041)</u> |
| | <u>\$ 1,240,428</u> | <u>\$ 2,160,261</u> | <u>\$ 3,400,689</u> |

The primary long-term management objective for the Hospital's endowment funds is to maintain the permanent nature of each endowment fund, while providing a predictable, stable, and constant stream of earnings. Consistent with that objective, the primary investment goal is to earn annual interest and dividends.

THE GRIFFIN HOSPITAL AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

NOTE 15 – COMMITMENTS AND CONTINGENCIES

The Hospital is involved in various legal matters arising in the normal course of activities. The ultimate outcome is not determinable at this time.

During May 2014, the Hospital became aware of a safety concern related to the use of multi-dose insulin pens on more than one patient. On investigation, it was discovered that in a small number of cases, multi-dose insulin pen cartridges intended for single patient use may have been used for more than one patient, either after installing a new, sterile safety needle on the cartridge, or by drawing up insulin with a new sterile syringe. Through improper use of the insulin pens there is a remote possibility that patients could have been exposed to certain blood-borne infections.

In response, the Hospital decided to offer all of the approximately 2,636 patients for whom an insulin pen was ordered during their hospitalization on or after September 1, 2008 and before May 7, 2014, free and confidential testing for hepatitis B, hepatitis C, and HIV. The testing protocol was determined after consultation with the Infectious Disease and Gastroenterology division chiefs and in accordance with the current CDC guidelines.

There is a pending lawsuit attempting to organize a putative class on behalf of all patients who were offered testing and subsequently elected to have the testing performed for certain blood-borne infections. Almost all members of this potential class tested negative for blood-borne infections. The Hospital is working with defense counsel to defend its interests in this matter.

The Hospital has established a reserve for the total expenses associated with notification, testing, treatment, and resolution of all insulin pen related claims.



**INDEPENDENT AUDITORS' REPORT ON
ACCOMPANYING CONSOLIDATING INFORMATION**

To the Board of Trustees
The Griffin Hospital

We have audited the consolidated financial statements of The Griffin Hospital and its Subsidiary as of and for the years ended September 30, 2016 and 2015, and have issued our report dated thereon January 27, 2017, which contains an unmodified opinion on those consolidated financial statements and which appears on page 1. Our audits were performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating balance sheets, and the consolidating statements of operations are presented for the purpose of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

Marcum LLP

Hartford, CT
January 27, 2017



THE GRIFFIN HOSPITAL AND SUBSIDIARY

CONSOLIDATING BALANCE SHEET

SEPTEMBER 30, 2016

| | The Griffin Hospital | Griffin Faculty Practice Plan | Eliminations | Total |
|--|-------------------------|-------------------------------------|-----------------------|-----------------------|
| Assets | | | | |
| Current Assets | | | | |
| Cash and cash equivalents | \$ 8,419,689 | \$ 253,417 | \$ -- | \$ 8,673,106 |
| Investments | 7,871,187 | -- | -- | 7,871,187 |
| Assets limited as to use | 757,551 | -- | -- | 757,551 |
| Patient accounts receivable, net | 13,410,622 | 446,945 | -- | 13,857,567 |
| Other current assets | 2,900,738 | 153,999 | -- | 3,054,737 |
| Total Current Assets | 33,359,787 | 854,361 | -- | 34,214,148 |
| Assets Limited as to Use | | | | |
| Board-designated investments | 32,847 | -- | -- | 32,847 |
| Under indenture agreement | 4,235,986 | -- | -- | 4,235,986 |
| Total Assets Limited as to Use | 4,268,833 | -- | -- | 4,268,833 |
| Other Assets | | | | |
| Long-term investments | 1,324,584 | -- | -- | 1,324,584 |
| Property, plant and equipment, net | 51,966,374 | 1,815,602 | -- | 53,781,976 |
| Interest in net assets of affiliate | 7,834,670 | -- | -- | 7,834,670 |
| Due from affiliates | 7,841,990 | -- | -- | 7,841,990 |
| Investment in affiliate | 1,895,137 | -- | (1,895,137) | -- |
| Beneficial interest in trusts | 3,581,854 | -- | -- | 3,581,854 |
| Other long-term assets and insurance recoverable | 5,046,027 | -- | -- | 5,046,027 |
| Total Other Assets | 79,490,636 | 1,815,602 | (1,895,137) | 79,411,101 |
| Total Assets | \$ 117,119,256 | \$ 2,669,963 | \$ (1,895,137) | \$ 117,894,082 |

See independent auditors' report on accompanying consolidating information.

THE GRIFFIN HOSPITAL AND SUBSIDIARY

CONSOLIDATING BALANCE SHEET (CONTINUED)

SEPTEMBER 30, 2016

| | The Griffin Hospital | Griffin Faculty Practice Plan | Eliminations | Total |
|--|-------------------------|-------------------------------------|--------------|--------------------|
| Liabilities and Net Assets (Deficit) | | | | |
| Current Liabilities | | | | |
| Current portion of long-term debt | \$ 5,028,090 | \$ -- | \$ -- | \$ 5,028,090 |
| Accounts payable | 15,046,368 | 253,273 | -- | 15,299,641 |
| Accrued expenses | 7,922,566 | 521,553 | -- | 8,444,119 |
| Estimated third-party settlements | 357,083 | -- | -- | 357,083 |
| Accrued interest payable | 266,810 | -- | -- | 266,810 |
| Accrued postretirement benefit liability | 572,000 | -- | -- | 572,000 |
| Deferred revenue | 430,074 | -- | -- | 430,074 |
| Due to affiliates | 276,634 | -- | -- | 276,634 |
| Total Current Liabilities | 29,899,625 | 774,826 | -- | 30,674,451 |
| Other Liabilities | | | | |
| Estimated third-party settlements | 5,996,213 | -- | -- | 5,996,213 |
| Professional and general liability loss reserves | 2,927,302 | -- | -- | 2,927,302 |
| Workers' compensation loss reserves | 1,906,731 | -- | -- | 1,906,731 |
| Accrued pension liability | 49,234,443 | -- | -- | 49,234,443 |
| Accrued postretirement benefit liability, net of current portion | 9,794,769 | -- | -- | 9,794,769 |
| Conditional asset retirement obligations | 95,831 | -- | -- | 95,831 |
| Long-term debt, net of current portion | 38,276,877 | -- | -- | 38,276,877 |
| Interest rate swap agreements | 9,122,953 | -- | -- | 9,122,953 |
| Total Other Liabilities | 117,355,119 | -- | -- | 117,355,119 |
| Total Liabilities | 147,254,744 | 774,826 | -- | 148,029,570 |

See independent auditors' report on accompanying consolidating information.

THE GRIFFIN HOSPITAL AND SUBSIDIARY

CONSOLIDATING BALANCE SHEET (CONTINUED)

SEPTEMBER 30, 2016

| | The Griffin Hospital | Griffin Faculty Practice Plan | Eliminations | Total |
|--|-------------------------|-------------------------------------|-----------------------|-----------------------|
| Net Assets (Deficit) | | | | |
| Unrestricted operating net assets | \$ 28,293,859 | \$ 1,895,137 | \$ (1,895,137) | \$ 28,293,859 |
| Cumulative unrecognized pension and other postretirement changes | (66,904,091) | -- | -- | (66,904,091) |
| Total unrestricted | (38,610,232) | 1,895,137 | (1,895,137) | (38,610,232) |
| Temporarily restricted net assets | 2,732,629 | -- | -- | 2,732,629 |
| Permanently restricted net assets | 5,742,115 | -- | -- | 5,742,115 |
| Total Net (Deficit) Assets | <u>(30,135,488)</u> | <u>1,895,137</u> | <u>(1,895,137)</u> | <u>(30,135,488)</u> |
| Total Liabilities and Net Assets (Deficit) | <u>\$ 117,119,256</u> | <u>\$ 2,669,963</u> | <u>\$ (1,895,137)</u> | <u>\$ 117,894,082</u> |

See independent auditors' report on accompanying consolidating information.

THE GRIFFIN HOSPITAL AND SUBSIDIARY

CONSOLIDATING BALANCE SHEET

SEPTEMBER 30, 2015

| | The Griffin Hospital | Griffin Faculty Practice Plan | Eliminations | Total |
|--|-------------------------|-------------------------------------|-----------------------|-----------------------|
| Assets | | | | |
| Current Assets | | | | |
| Cash and cash equivalents | \$ 6,748,148 | \$ 97,337 | \$ -- | \$ 6,845,485 |
| Investments | 7,914,147 | -- | -- | 7,914,147 |
| Assets limited as to use | 724,768 | -- | -- | 724,768 |
| Patient accounts receivable, net | 13,268,952 | 594,913 | -- | 13,863,865 |
| Other current assets | 4,682,980 | 119,389 | -- | 4,802,369 |
| Total Current Assets | <u>33,338,995</u> | <u>811,639</u> | <u>--</u> | <u>34,150,634</u> |
| Assets Limited as to Use | | | | |
| Board-designated investments | 23,986 | -- | -- | 23,986 |
| Under indenture agreement | 4,289,023 | -- | -- | 4,289,023 |
| Total Assets Limited as to Use | <u>4,313,009</u> | <u>--</u> | <u>--</u> | <u>4,313,009</u> |
| Other Assets | | | | |
| Long-term investments | 1,233,522 | -- | -- | 1,233,522 |
| Property, plant and equipment, net | 51,622,810 | 1,605,599 | -- | 53,228,409 |
| Interest in net assets of affiliate | 8,800,729 | -- | -- | 8,800,729 |
| Due from affiliates | 6,476,494 | -- | (127,790) | 6,348,704 |
| Investment in affiliate | 1,361,825 | -- | (1,361,825) | -- |
| Beneficial interest in trusts | 3,450,227 | -- | -- | 3,450,227 |
| Other long-term assets and insurance recoverable | 5,335,406 | -- | -- | 5,335,406 |
| Total Other Assets | <u>78,281,013</u> | <u>1,605,599</u> | <u>(1,489,615)</u> | <u>78,396,997</u> |
| Total Assets | <u>\$ 115,933,017</u> | <u>\$ 2,417,238</u> | <u>\$ (1,489,615)</u> | <u>\$ 116,860,640</u> |

See independent auditors' report on accompanying consolidating information.

THE GRIFFIN HOSPITAL AND SUBSIDIARY

CONSOLIDATING BALANCE SHEET (CONTINUED)

SEPTEMBER 30, 2015

| | The Griffin Hospital | Griffin Faculty Practice Plan | Eliminations | Total |
|--|-------------------------|-------------------------------------|------------------|--------------------|
| Liabilities and Net (Deficit) Assets | | | | |
| Current Liabilities | | | | |
| Current portion of long-term debt | \$ 5,013,100 | \$ -- | \$ -- | \$ 5,013,100 |
| Accounts payable | 16,229,224 | 245,791 | -- | 16,475,015 |
| Accrued expenses | 8,497,150 | 646,683 | -- | 9,143,833 |
| Estimated third-party settlements | 1,153,146 | -- | -- | 1,153,146 |
| Accrued interest payable | 280,977 | -- | -- | 280,977 |
| Accrued postretirement benefit liability | 496,000 | -- | -- | 496,000 |
| Deferred revenue | 157,449 | -- | -- | 157,449 |
| Due to affiliates | 276,634 | 162,939 | (127,790) | 311,783 |
| Total Current Liabilities | <u>32,103,680</u> | <u>1,055,413</u> | <u>(127,790)</u> | <u>33,031,303</u> |
| Other Liabilities | | | | |
| Estimated third-party settlements | 5,664,953 | -- | -- | 5,664,953 |
| Professional and general liability loss reserves | 3,172,632 | -- | -- | 3,172,632 |
| Workers' compensation loss reserves | 1,827,843 | -- | -- | 1,827,843 |
| Accrued pension liability | 45,060,464 | -- | -- | 45,060,464 |
| Accrued postretirement benefit liability, net of current portion | 8,770,609 | -- | -- | 8,770,609 |
| Conditional asset retirement obligations | 104,600 | -- | -- | 104,600 |
| Long-term debt, net of current portion | 41,160,778 | -- | -- | 41,160,778 |
| Interest rate swap agreements | 7,643,841 | -- | -- | 7,643,841 |
| Total Other Liabilities | <u>113,405,720</u> | <u>--</u> | <u>--</u> | <u>113,405,720</u> |
| Total Liabilities | <u>145,509,400</u> | <u>1,055,413</u> | <u>(127,790)</u> | <u>146,437,023</u> |

See independent auditors' report on accompanying consolidating information.

THE GRIFFIN HOSPITAL AND SUBSIDIARY

CONSOLIDATING BALANCE SHEET (CONTINUED)

SEPTEMBER 30, 2015

| | The Griffin Hospital | Griffin Faculty Practice Plan | Eliminations | Total |
|--|-------------------------|-------------------------------------|-----------------------|-----------------------|
| Net (Deficit) Assets | | | | |
| Unrestricted operating net assets | \$ 16,891,260 | \$ 1,361,825 | \$ (1,361,825) | \$ 16,891,260 |
| Cumulative unrecognized pension and other postretirement changes | (56,145,702) | -- | -- | (56,145,702) |
| Total unrestricted | (39,254,442) | 1,361,825 | (1,361,825) | (39,254,442) |
| Temporarily restricted net assets | 4,067,571 | -- | -- | 4,067,571 |
| Permanently restricted net assets | 5,610,488 | -- | -- | 5,610,488 |
| Total Net (Deficit) Assets | <u>(29,576,383)</u> | <u>1,361,825</u> | <u>(1,361,825)</u> | <u>(29,576,383)</u> |
| Total Liabilities and Net (Deficit) Assets | <u>\$ 115,933,017</u> | <u>\$ 2,417,238</u> | <u>\$ (1,489,615)</u> | <u>\$ 116,860,640</u> |

See independent auditors' report on accompanying consolidating information.

THE GRIFFIN HOSPITAL AND SUBSIDIARY
CONSOLIDATING STATEMENT OF OPERATIONS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2016

| | The Griffin Hospital | Griffin Faculty Practice Plan | Eliminations | Total |
|--|-------------------------|-------------------------------------|------------------|--------------------|
| Operating Revenues | | | | |
| Net patient service revenue | \$ 160,938,256 | \$ 11,639,101 | \$ -- | \$ 172,577,357 |
| Provision for doubtful accounts, net of recoveries | <u>(1,923,631)</u> | <u>(255,799)</u> | <u>--</u> | <u>(2,179,430)</u> |
| Net patient service revenue less provision for doubtful accounts | 159,014,625 | 11,383,302 | -- | 170,397,927 |
| Net assets released from restrictions for operations | 423,387 | -- | -- | 423,387 |
| State supplemental revenue | 4,948,647 | -- | -- | 4,948,647 |
| Other operating revenues | <u>3,722,615</u> | <u>824,929</u> | <u>(879,398)</u> | <u>3,668,146</u> |
| Total Operating Revenues | <u>168,109,274</u> | <u>12,208,231</u> | <u>(879,398)</u> | <u>179,438,107</u> |
| Operating Expenses | | | | |
| Employee compensation and related expenses | 80,599,355 | 14,529,600 | -- | 95,128,955 |
| Supplies and other expenses | 55,712,295 | 2,990,990 | (879,398) | 57,823,887 |
| State hospital tax expense | 7,583,772 | -- | -- | 7,583,772 |
| Depreciation | 4,253,885 | 275,304 | -- | 4,529,189 |
| Interest | <u>2,128,918</u> | <u>--</u> | <u>--</u> | <u>2,128,918</u> |
| Total Operating Expenses | <u>150,278,225</u> | <u>17,795,894</u> | <u>(879,398)</u> | <u>167,194,721</u> |
| Income (Loss) from Operations | <u>17,831,049</u> | <u>(5,587,663)</u> | <u>--</u> | <u>12,243,386</u> |

See independent auditors' report on accompanying consolidating information.

THE GRIFFIN HOSPITAL AND SUBSIDIARY
CONSOLIDATING STATEMENT OF OPERATIONS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2016

| | The Griffin Hospital | Griffin Faculty Practice Plan | Eliminations | Total |
|---|-------------------------|-------------------------------------|---------------------|---------------------|
| Nonoperating Gains (Losses) | | | | |
| Investment income | \$ 728,488 | \$ -- | \$ -- | \$ 728,488 |
| Net realized and unrealized losses on interest rate swaps | (2,666,937) | -- | -- | (2,666,937) |
| Grant revenues | 2,004,694 | -- | -- | 2,004,694 |
| Grant expenses | <u>(2,103,848)</u> | <u>--</u> | <u>--</u> | <u>(2,103,848)</u> |
| Total Nonoperating Losses | <u>(2,037,603)</u> | <u>--</u> | <u>--</u> | <u>(2,037,603)</u> |
| Excess (Deficiency) of Revenues over Expenses | 15,793,446 | (5,587,663) | -- | 10,205,783 |
| Other Changes in Unrestricted Net Assets | | | | |
| Change in interest in net assets of affiliate | 993,256 | -- | (533,312) | 459,944 |
| Assets released from restriction for capital | 1,455,655 | -- | -- | 1,455,655 |
| Transfers (to) from affiliates | (6,839,758) | 6,120,975 | -- | (718,783) |
| Pension and other postretirement related changes other than net periodic benefit cost | <u>(10,758,389)</u> | <u>--</u> | <u>--</u> | <u>(10,758,389)</u> |
| Increase (Decrease) in Unrestricted Net Assets | <u>\$ 644,210</u> | <u>\$ 533,312</u> | <u>\$ (533,312)</u> | <u>\$ 644,210</u> |

See independent auditors' report on accompanying consolidating information.

THE GRIFFIN HOSPITAL AND SUBSIDIARY

CONSOLIDATING STATEMENT OF OPERATIONS

FOR THE YEAR ENDED SEPTEMBER 30, 2015

| | The Griffin Hospital | Griffin Faculty Practice Plan | Eliminations | Total |
|--|-------------------------|-------------------------------------|------------------|--------------------|
| Operating Revenues | | | | |
| Net patient service revenue | \$ 144,733,465 | \$ 8,883,282 | \$ -- | \$ 153,616,747 |
| Provision for doubtful accounts, net of recoveries | <u>(1,784,106)</u> | <u>(166,973)</u> | <u>--</u> | <u>(1,951,079)</u> |
| Net patient service revenue less provision for doubtful accounts | 142,949,359 | 8,716,309 | -- | 151,665,668 |
| State supplemental revenue | 1,899,613 | -- | -- | 1,899,613 |
| Other operating revenues | <u>3,792,297</u> | <u>649,593</u> | <u>(852,843)</u> | <u>3,589,047</u> |
| Total Operating Revenues | <u>148,641,269</u> | <u>9,365,902</u> | <u>(852,843)</u> | <u>157,154,328</u> |
| Operating Expenses | | | | |
| Employee compensation and related expenses | 77,228,070 | 12,317,031 | -- | 89,545,101 |
| Supplies and other expenses | 51,076,972 | 2,377,918 | (852,843) | 52,602,047 |
| State hospital tax expense | 6,283,833 | -- | -- | 6,283,833 |
| Depreciation | 4,440,683 | 241,389 | -- | 4,682,072 |
| Interest | <u>2,123,883</u> | <u>--</u> | <u>--</u> | <u>2,123,883</u> |
| Total Operating Expenses | <u>141,153,441</u> | <u>14,936,338</u> | <u>(852,843)</u> | <u>155,236,936</u> |
| Income (Loss) from Operations | <u>7,487,828</u> | <u>(5,570,436)</u> | <u>--</u> | <u>1,917,392</u> |

See independent auditors' report on accompanying consolidating information.

THE GRIFFIN HOSPITAL AND SUBSIDIARY
CONSOLIDATING STATEMENT OF OPERATIONS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2015

| | The Griffin Hospital | Griffin Faculty Practice Plan | Eliminations | Total |
|--|-------------------------|-------------------------------------|--------------------|------------------------|
| Nonoperating Gains (Losses) | | | | |
| Investment income | \$ 180,955 | \$ -- | \$ -- | \$ 180,955 |
| Net realized and unrealized losses on interest rate swaps | (2,480,754) | -- | -- | (2,480,754) |
| Grant revenues | 1,942,304 | -- | -- | 1,942,304 |
| Grant expenses | <u>(2,039,194)</u> | <u>--</u> | <u>--</u> | <u>(2,039,194)</u> |
| Total Nonoperating Losses | <u>(2,396,689)</u> | <u>--</u> | <u>--</u> | <u>(2,396,689)</u> |
| Excess (Deficiency) of Revenues over Expenses | 5,091,139 | (5,570,436) | -- | (479,297) |
| Other Changes in Unrestricted Net Assets | | | | |
| Change in interest in net assets of affiliate | 102,275 | -- | (78,689) | 23,586 |
| Transfers (to) from affiliates | (6,299,917) | 5,649,125 | -- | (650,792) |
| Pension and other postretirement related changes other than net periodic benefit cost | <u>(12,041,404)</u> | <u>--</u> | <u>--</u> | <u>(12,041,404)</u> |
| (Decrease) Increase in Unrestricted Net Assets | <u>\$ (13,147,907)</u> | <u>\$ 78,689</u> | <u>\$ (78,689)</u> | <u>\$ (13,147,907)</u> |

See independent auditors' report on accompanying consolidating information.

Form **990-T**

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

OMB No. 1545-0687

For calendar year 2015 or other tax year beginning OCT 1, 2015, and ending SEP 30, 2016

2015

Information about Form 990-T and its instructions is available at www.irs.gov/form990t.

Do not enter SSN numbers on this form as it may be made public if your organization is a 501(c)(3).

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

Department of the Treasury
Internal Revenue Service

| | | | |
|---|----------------------|--|---|
| A <input type="checkbox"/> Check box if address changed | Print or Type | Name of organization (<input type="checkbox"/> Check box if name changed and see instructions.) | D Employer identification number (Employees' trust, see instructions.) |
| 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) | | GRIFFIN HOSPITAL | 06-0647014 |
| | | Number, street, and room or suite no. If a P.O. box, see instructions. 130 DIVISION STREET | E Unrelated business activity codes (See instructions.) |
| | | City or town, state or province, country, and ZIP or foreign postal code DERBY, CT 06418 | 621500 |

C Book value of all assets at end of year: 117119256.

F Group exemption number (See instructions.)

G Check organization type: 501(c) corporation 501(c) trust 401(a) trust Other trust

H Describe the organization's primary unrelated business activity. **NON-HOSPITAL LABORATORY SERVICES**

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.

J The books are in care of **JAMES DOWNEY** Telephone number **203-732-7528**

| Part I Unrelated Trade or Business Income | | (A) Income | (B) Expenses | (C) Net |
|---|-------------------|-----------------|--------------|-----------------|
| 1a Gross receipts or sales | <u>3,590,294.</u> | | | |
| b Less returns and allowances | <u>2,985,450.</u> | | | |
| 1c Balance | | <u>604,844.</u> | | |
| 2 Cost of goods sold (Schedule A, line 7) | | | | |
| 3 Gross profit. Subtract line 2 from line 1c | | <u>604,844.</u> | | <u>604,844.</u> |
| 4a Capital gain net income (attach Schedule D) | | | | |
| 4b Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797) | | | | |
| 4c 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) <u>STATEMENT 1</u> | | <u>50,484.</u> | | <u>50,484.</u> |
| 13 Total. Combine lines 3 through 12 | | <u>655,328.</u> | | <u>655,328.</u> |

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 | | | | <u>287,572.</u> |
| 16 Repairs and maintenance | | | | |
| 17 Bad debts | | | | <u>36,783.</u> |
| 18 Interest (attach schedule) | | | | |
| 19 Taxes and licenses | | | | |
| 20 Charitable contributions (See instructions for limitation rules) | | | | |
| 21 Depreciation (attach Form 4562) | | <u>21</u> | | |
| 22 Less depreciation claimed on Schedule A and elsewhere on return | | <u>22a</u> | | <u>22b</u> |
| 23 Depletion | | | | |
| 24 Contributions to deferred compensation plans | | | | |
| 25 Employee benefit programs | | | | |
| 26 Excess exempt expenses (Schedule I) | | | | |
| 27 Excess readership costs (Schedule J) | | | | |
| 28 Other deductions (attach schedule) <u>SEE STATEMENT 2</u> | | | | <u>366,723.</u> |
| 29 Total deductions. Add lines 14 through 28 | | | | <u>691,078.</u> |
| 30 Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13 | | | | <u>-35,750.</u> |
| 31 Net operating loss deduction (limited to the amount on line 30) <u>SEE STATEMENT 3</u> | | | | |
| 32 Unrelated business taxable income before specific deduction. Subtract line 31 from line 30 | | | | <u>-35,750.</u> |
| 33 Specific deduction (Generally \$1,000, but see line 33 instructions for exceptions) | | | | <u>1,000.</u> |
| 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 | | | | <u>-35,750.</u> |

Part III Tax Computation

35 Organizations Taxable as Corporations. See instructions for tax computation. Controlled group members (sections 1561 and 1563) check here... 36 Trusts Taxable at Trust Rates. See instructions for tax computation. Income tax on the amount on line 34 from: 37 Proxy tax. See instructions. 38 Alternative minimum tax. 39 Total. Add lines 37 and 38 to line 35c or 36, whichever applies.

Part IV Tax and Payments

40a Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116). 40b Other credits (see instructions). 40c General business credit. Attach Form 3800. 40d Credit for prior year minimum tax (attach Form 8801 or 8827). 40e Total credits. Add lines 40a through 40d. 41 Subtract line 40e from line 39. 42 Other taxes. Check if from: Form 4255, Form 8611, Form 8697, Form 8866, Other (attach schedule). 43 Total tax. Add lines 41 and 42. 44a Payments: A 2014 overpayment credited to 2015. 44b 2015 estimated tax payments. 44c Tax deposited with Form 8868. 44d Foreign organizations: Tax paid or withheld at source (see instructions). 44e Backup withholding (see instructions). 44f Credit for small employer health insurance premiums (Attach Form 8941). 44g Other credits and payments: Form 2439, Form 4136, Other. Total. 45 Total payments. Add lines 44a through 44g. 46 Estimated tax penalty (see instructions). Check if Form 2220 is attached. 47 Tax due. If line 45 is less than the total of lines 43 and 46, enter amount owed. 48 Overpayment. If line 45 is larger than the total of lines 43 and 46, enter amount overpaid. 49 Enter the amount of line 48 you want: Credited to 2018 estimated tax, Refunded.

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

1 At any time during the 2015 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 FinCEN Form 114, 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. 2 Purchases. 3 Cost of labor. 4a Additional section 263A costs (att. schedule). 4b Other costs (attach schedule). 5 Total. Add lines 1 through 4b. 6 Inventory at end of year. 7 Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2. 8 Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?

Sign Here

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.

Signature of officer: [Signature] Date: [Date] Title: CONTROLLER. 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: DOUGLAS FARRINGTON. Preparer's signature: [Signature]. Date: 7/25/17. Check [] if self-employed. PTIN: P00370668. Firm's name: MARCUM LLP. Firm's EIN: 11-1986323. Firm's address: CITY PLACE II 185 ASYLUM STREET HARTFORD, CT 06103. Phone no. 860-760-0600.

Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property) (see instructions)

1. Description of property

Table with 4 rows for property description (1-4).

2. Rent received or accrued

Table with 3 columns: (a) From personal property, (b) From real and personal property, and 3(a) Deductions directly connected with the income.

(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)

Table with 4 columns: 1. Description of debt-financed property, 2. Gross income from or allocable to debt-financed property, 3(a) Straight line depreciation, 3(b) Other deductions.

Table with 5 columns: 4. Amount of average acquisition debt, 5. Average adjusted basis, 6. Column 4 divided by column 5, 7. Gross income reportable, 8. Allocable deductions.

Totals: Enter here and on page 1, Part I, line 7, column (A) 0. Enter here and on page 1, Part I, line 7, column (B) 0.

Total dividends-received deductions included in column 8 0.

Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations (see instructions)

Table with 6 columns: 1. Name of controlled organization, 2. Employer identification number, 3. Net unrelated income, 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.

Nonexempt Controlled Organizations

Table with 5 columns: 7. Taxable income, 8. Net unrelated income (loss), 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.

Totals: Add columns 5 and 10. Enter here and on page 1, Part I, line 8, column (A) 0. Add columns 6 and 11. Enter here and on page 1, Part I, line 8, column (B) 0.

Schedule G - Investment Income of a Section 501(c)(7), (9), or (17) Organization
(see instructions)

| 1. Description of income | 2. Amount of income | 3. Deductions directly connected (attach 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) | | | | | | |
| 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 | OTHER INCOME | STATEMENT | 1 |
|--------------------------------------|--------------|-----------|---|
| DESCRIPTION | | AMOUNT | |
| SERVICE REVENUE | | 50,484. | |
| TOTAL TO FORM 990-T, PAGE 1, LINE 12 | | 50,484. | |

| FORM 990-T | OTHER DEDUCTIONS | STATEMENT | 2 |
|--------------------------------------|------------------|-----------|---|
| DESCRIPTION | | AMOUNT | |
| PURCHASED SERVICES | | 105,484. | |
| PROFESSIONAL FEES | | 34,353. | |
| LEASES | | 807. | |
| GENERAL SUPPLIES | | 12,292. | |
| SALARY AND OVERHEAD EXPENSES | | 50,484. | |
| DRUGS | | 695. | |
| MEDICAL SUPPLIES | | 162,608. | |
| TOTAL TO FORM 990-T, PAGE 1, LINE 28 | | 366,723. | |

| FORM 990-T | NET OPERATING LOSS DEDUCTION | STATEMENT | 3 | |
|-----------------------------------|------------------------------|-------------------------|----------------|---------------------|
| TAX YEAR | LOSS SUSTAINED | LOSS PREVIOUSLY APPLIED | LOSS REMAINING | AVAILABLE THIS YEAR |
| 09/30/01 | 377,855. | 28,241. | 349,614. | 349,614. |
| 09/30/02 | 487,664. | 0. | 487,664. | 487,664. |
| 09/30/03 | 669,900. | 0. | 669,900. | 669,900. |
| 09/30/04 | 605,506. | 0. | 605,506. | 605,506. |
| 09/30/05 | 813,622. | 0. | 813,622. | 813,622. |
| 09/30/06 | 795,939. | 0. | 795,939. | 795,939. |
| 09/30/07 | 1,102,936. | 0. | 1,102,936. | 1,102,936. |
| 09/30/08 | 1,226,270. | 0. | 1,226,270. | 1,226,270. |
| 09/30/09 | 827,756. | 0. | 827,756. | 827,756. |
| 09/30/10 | 1,762,445. | 0. | 1,762,445. | 1,762,445. |
| 09/30/11 | 1,399,637. | 0. | 1,399,637. | 1,399,637. |
| 09/30/12 | 1,442,351. | 0. | 1,442,351. | 1,442,351. |
| 09/30/13 | 960,068. | 0. | 960,068. | 960,068. |
| 09/30/14 | 596,810. | 0. | 596,810. | 596,810. |
| NOL CARRYOVER AVAILABLE THIS YEAR | | | 13,040,518. | 13,040,518. |

Application for Extension of Time To File an Exempt Organization Return

OMB No. 1545-1709

Department of the Treasury
Internal Revenue Service

▶ **File a separate application for each return.**
▶ **Information about Form 8868 and its instructions is at www.irs.gov/form8868**

- 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.

| | Enter filer's identifying number | |
|--|--|---|
| Type or print | Name of exempt organization or other filer, see instructions. | Employer identification number (EIN) or |
| | GRIFFIN HOSPITAL | 06-0647014 |
| 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. | Social security number (SSN) |
| | 130 DIVISION STREET | |
| | City, town or post office, state, and ZIP code. For a foreign address, see instructions. | |
| | DERBY, CT 06418 | |

Enter the Return code for the return that this application is for (file a separate application for each return) 07

| Application Is For | Return Code | Application Is For | Return Code |
|--|-------------|-----------------------------------|-------------|
| Form 990 or Form 990-EZ | 01 | Form 990-T (corporation) | 07 |
| Form 990-BL | 02 | Form 1041-A | 08 |
| Form 4720 (individual) | 03 | Form 4720 (other than individual) | 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 |

JAMES DOWNEY

- The books are in the care of ▶ 130 DIVISION STREET - DERBY, CT 06418

Telephone No. ▶ 203-732-7528 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, 2017, 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, 2015, and ending SEP 30, 2016.

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 Forms 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions. | 3a | \$ | 0. |
| b If this application is for Forms 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 | \$ | 0. |
| 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 funds withdrawal (direct debit) with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

Form CT-990T
Connecticut Unrelated Business Income Tax Return

2015

Complete this return in blue or black ink only.
 Enter Income Year Beginning **▶ OCTOBER 1, 2015, and Ending ▶ SEPTEMBER 30, 2016**

| | | |
|---|--|--|
| Taxpayer <small>(Please type or print)</small> | Organization name <small>(please type or print)</small> GRIFFIN HOSPITAL | CT Tax Registration Number 4988994-000 |
| | Address Number and street PO Box 130 DIVISION STREET | DRS use only - -20 |
| | City or town State ZIP code DERBY, CT 06418 | Federal Employer ID Number (FEIN) 06-0647014 |

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: **NON-HOSPITAL LABORATORY SERVICES**

3. **Corporation only:** Enter state of incorporation: **CONNECTICUT** Date of organization: **01/01/1908**

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 2015 federal Form 990-T, Part II, Line 34 | 1 -35,750 00 |
| 2. Federal net operating loss deduction from 2015 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 -35,750 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 -35,750 00 |

| Computation of Tax | |
|---|--------------|
| 1. Unrelated business taxable income from Line 6 above. If 100% Connecticut , enter also on Line 3 | 1 -35,750 00 |
| 2. Apportionment fraction from <i>Schedule A</i> , Line 5 on page 2. Carry to six places | 2 1.000000 |
| 3. Connecticut unrelated business taxable income: Line 1 or Line 1 multiplied by Line 2 | 3 -35,750 00 |
| 4. Operating loss carryover from <i>Schedule B</i> , Line 15 on page 2. Do not exceed 50% of Line 3 | 4 00 |
| 5. Income subject to tax: Subtract Line 4 from Line 3 | 5 -35,750 00 |
| 6. Tax: Multiply Line 5 by 7.5% (.075) | 6 00 |

| Computation of Amount Payable | |
|---|-------------|
| 1. Tax: Include surtax if applicable. See instructions | 1 00 |
| 2. <i>Reserved for future use</i> | 2 00 |
| 3. Total Tax: Enter the amount from Line 1 | 3 00 |
| 4. Tax credits from Form CT-1120K, Part III, Line 9. Do not exceed amount on Line 1 | 4 00 |
| 5. Balance of tax payable: Subtract Line 4 from Line 3. If zero or less, enter "0." | 5 0 00 |
| 6a. Paid with application for extension from Form CT-990T EXT | 6a 1,125 00 |
| 6b. Paid with estimates from Forms CT-990T ESA, ESB, ESC, & ESD | 6b 00 |
| 6c. Overpayment from prior year | 6c 00 |
| 6. Tax Payments: Enter the total of Lines 6a, 6b, and 6c | 6 1,125 00 |
| 7. Balance of tax due (overpaid): Subtract Line 6 from Line 5 | 7 -1,125 00 |
| 8. Add Penalty ▶ (8a) .00 Interest ▶ (8b) .00 CT-1120I Interest ▶ (8c) .00 | 8 00 |
| 9. Amount to be credited to 2016 estimated tax ▶ (9a) .00 Refunded ▶ (9b) 1,125 .00 | 9 1,125 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 9g. Bank name _____

| | |
|--|---------|
| 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

www.ct.gov/TSC to pay electronically. Taxpayer Service Center

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. | Name of officer or fiduciary <small>(print)</small> JAMES DOWNEY | Signature of officer or fiduciary | Date |
| | Officer's email address <small>(print)</small> | Title | Telephone number |
| | Firm's name and address | Date | Preparer's SSN or PTIN |
| | Firm's name and address | FEIN | Telephone number |

1019
541901 11-17-15

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 | 568,061 | 00 | 568,061 | 00 | |
| | (c) Rentals | | 00 | | 00 | |
| | (d) Other | 50,484 | 00 | 50,484 | 00 | |
| | 2. Total | 618,545 | 00 | 618,545 | 00 | 1.000000 |
| Wages, salaries, and other compensation | 3. Total | | 00 | | 00 | |
| | 4. Total: Add Lines 1, 2, and 3 in Column C. | | | | | 1.000000 |
| | 5. Apportionment fraction: Divide Line 4 by number of factors used. Enter here; on Schedule C, Line 4; and also on page 1, Computation of Tax, Line 2. | | | | | 1.000000 |

Schedule B - Connecticut Apportioned Operating Loss Carryover Applied to 2015

| | | |
|---|-----|----|
| 1. 2000 Connecticut net operating loss available for use in 2015 | 1. | 00 |
| 2. 2001 Connecticut net operating loss available for use in 2015 | 2. | 00 |
| 3. 2002 Connecticut net operating loss available for use in 2015 | 3. | 00 |
| 4. 2003 Connecticut net operating loss available for use in 2015 | 4. | 00 |
| 5. 2004 Connecticut net operating loss available for use in 2015 | 5. | 00 |
| 6. 2005 Connecticut net operating loss available for use in 2015 | 6. | 00 |
| 7. 2006 Connecticut net operating loss available for use in 2015 | 7. | 00 |
| 8. 2007 Connecticut net operating loss available for use in 2015 | 8. | 00 |
| 9. 2008 Connecticut net operating loss available for use in 2015 | 9. | 00 |
| 10. 2009 Connecticut net operating loss available for use in 2015 | 10. | 00 |
| 11. 2010 Connecticut net operating loss available for use in 2015 | 11. | 00 |
| 12. 2011 Connecticut net operating loss available for use in 2015 | 12. | 00 |
| 13. 2012 Connecticut net operating loss available for use in 2015 | 13. | 00 |
| 14. 2013 Connecticut net operating loss available for use in 2015 | 14. | 00 |
| 15. 2014 Connecticut net operating loss available for use in 2015 | 15. | 00 |
| 16. Total: Add Lines 1 through 15. Enter here and on <i>Computation of Tax</i> , Line 4. Do not exceed 50% of <i>Computation of Tax</i> , Line 3 | 16. | 00 |

Schedule C - Computation of Net Operating Loss Carryforward

| | | | |
|---|----|----------|----|
| 1. Enter amount from <i>Computation of Income</i> , Line 6, if less than zero | 1. | -35,750 | 00 |
| 2. Add back specific deduction from 2015 federal Form 990-T, Part II, Line 33 | 2. | 1,000 | 00 |
| 3. Subtotal: Add Line 1 and Line 2 | 3. | -34,750 | 00 |
| 4. Apportionment fraction from <i>Schedule A</i> , Line 5 | 4. | 1.000000 | |
| 5. 2015 Connecticut net operating loss available for carryforward: Line 3 or Line 3 multiplied by Line 4 | 5. | -34,750 | 00 |

Department of Revenue Services
 State of Connecticut
 PO Box 5014
 Hartford CT 06102-5014
 (Rev. 12/15)

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

2015

See instructions. Complete this return in blue or black ink only.

Enter Income Year Beginning **OCT 1**, 2015, and Ending **SEP 30**, 2016

| | | |
|--|---|--|
| Taxpayer (Please type or print) | Organization name (please type or print) GRIFFIN HOSPITAL | CT Tax Registration Number 4988994-000 |
| | Address Number and street PO Box 130 DIVISION STREET | DRS use only - - 20 |
| | City or town State ZIP code DERBY, CT 06418 | Federal Employer ID Number (FEIN) 06-0647014 |

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 2015, or until **08/15/17** for fiscal year ending **09/30/16**.

A federal extension will be requested on federal Form 8868, Application for Extension of Time to File an Exempt Organization Return, for calendar year 2015, or fiscal year beginning **OCTOBER 1**, 2015, and ending **SEPTEMBER 30, 2016** 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. | 1,125 | 00 |
| | 2. Reserved for future use | 2. | | |
| | 3. Total amount of tax due for this income year: Enter amount from Line 1 | 3. | 1,125 | 00 |
| | 4a. Tax credits | 4a | | 00 |
| | 4b. Payments of estimated tax | 4b | | 00 |
| | 4c. Overpayment from prior year | 4c | | 00 |
| | 4. Total tax credits and payments: Add Lines 4a, 4b, and 4c | 4. | | 00 |
| 5. Balance due with this return: Subtract Line 4 from Line 3 | 5. | 1,125 | 00 | |

Make check payable to **Commissioner of Revenue Services**. Write the organization's Connecticut Tax Registration Number and "2015 Form CT-990T EXT" on the check and attach it to the return.

Mail this return to:
 Department of Revenue Services
 State of Connecticut
 PO Box 5014
 Hartford CT 06102-5014

Visit the DRS Taxpayer Service Center (TSC) at **TSC** Taxpayer Service Center
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.

| | | |
|---|-----------------------------------|------|
| Name of officer or fiduciary (print) JAMES DOWNEY | Signature of officer or fiduciary | Date |
|---|-----------------------------------|------|

Officer's email address (print)

| | |
|--|--|
| Title CONTROLLER | Telephone number 203-732-7528 |
| Paid preparer's signature <i>Patricia Las CPA</i> | Date 1/24/17 |
| Firm's name MARCUM LLP | Preparer's SSN or PTIN P01325330 |
| CITY PLACE II 185 ASYLUM STREET | FEIN 11-1986323 |
| HARTFORD, CT 06103 | Telephone number 860-760-0600 |



**Massachusetts Department of Revenue
Form M-990T
Unrelated Business Income Tax Return**

2015

For calendar year 2015 or taxable period beginning **OCTOBER 1, 2015** and ending **SEPTEMBER 30, 2016**

| | | | |
|---|--------------------|--|-------------------------------------|
| Name of company GRIFFIN HOSPITAL | | Federal Identification number 06-0647014 | |
| Mailing address 130 DIVISION STREET | | | |
| City/Town DERBY | State CT | ZIP 06418 | Phone number 203-732-7528 |
| Name of treasurer | | Fill in if a Taxpayer Disclosure Statement is enclosed <input type="checkbox"/> | |

Fill in if:

Amended return (see "Amended return" in instructions) Federal amendment Federal audit Final return

Exempt under IRC section (fill in one only)

501 408(e) 408A 529(a) 220(e) 530(a)

Organization type (fill in one only)

Organization type 501(c) corporation 501(c) trust 401(a) trust Other

Excise calculation. Use whole dollar method.

| | | | |
|----|--|------|---------|
| 1 | Unrelated business taxable income (from U.S. Form 990T, line 34) | ▶ 1 | -35,750 |
| 2 | Foreign, state or local income, franchise, excise or capital stock taxes deducted from U.S. net income | ▶ 2 | |
| 3 | Section 168(k) "bonus" depreciation adjustment | ▶ 3 | |
| 4 | Section 31I and 31K intangible expense add back adjustment | ▶ 4 | |
| 5 | Federal NOL add back adjustment (from U.S. Form 990T, line 31) | ▶ 5 | |
| 6 | Section 31J and 31K interest expense add back adjustment | ▶ 6 | |
| 7 | Federal production activity add back adjustment | ▶ 7 | |
| 8 | Abandoned Building Renovation deduction Total cost <input type="text"/> x .10 = | ▶ 8 | |
| 9 | Other adjustments, including research and development expenses (enclose explanation) | ▶ 9 | |
| 10 | Income subject to apportionment. See instructions | ▶ 10 | -35,750 |
| 11 | Income apportionment percentage (from Schedule F, line 5 or 1.0, whichever applies) | ▶ 11 | .000000 |
| 12 | Multiply line 10 by line 11 | ▶ 12 | |
| 13 | Income not subject to apportionment | ▶ 13 | |
| 14 | Add lines 12 and 13 | ▶ 14 | |
| 15 | Certified Massachusetts solar or wind power deduction | ▶ 15 | |
| 16 | Taxable income before net operating loss deduction | ▶ 16 | |

Declaration

Under penalties of perjury, I declare that to the best of my knowledge and belief, this return and enclosures are true, correct and complete.

| | | | |
|---|----------|--------------------------------|--------------------|
| Signature of appropriate corporate officer (see instructions) | Date | Social Security number | Phone number |
| Signature of paid preparer | Date | Employer Identification number | Address |
| <i>[Signature]</i> | 11/25/17 | 11-1986323 | HARTFORD, CT 06103 |

If you are signing as an authorized delegate of the appropriate corporate officer, check here and enclose Massachusetts Form M-2848, Power of Attorney. The Privacy Act Notice is available upon request. Mail to: **Massachusetts Department of Revenue, PO Box 7067, Boston, MA 02204.**



Name of company
GRIFFIN HOSPITAL

Federal Identification number
06-0647014

Excise calculation (cont'd.)

- 17 Loss carryover deduction (from Schedule NOL) ▶17
- 18 Taxable income. Subtract line 17 from line 16 ▶18
- 19 Multiply line 18 by .08 19
- 20 Credit recapture (enclose Credit Recapture Schedule) and/or additional tax on installment sales. See instructions ▶20
- 21 Excise due before credits. Add lines 19 and 20 21

Credits. Any credit being claimed must be determined with respect to the unrelated business activity being reported on this return.

- 22 Economic Opportunity Area Credit (from Schedule EOAC) ▶22
- 23 Economic Development Incentive Program Credit Certificate number ▶ ▶23
- 24 Investment Tax Credit (from Schedule H) ▶24
- 25 Vanpool Credit (from Schedule VP) ▶25
- 26 Research Credit (from Schedule RC) ▶26
- 27 Harbor Maintenance Tax Credit (from Schedule HM, line 23) ▶27
- 28 Brownfields Credit Certificate number ▶ ▶28
- 29 Low-Income Housing Credit Building Identification number ▶ ▶29
- 30 Historic Rehabilitation Credit Certificate number ▶ ▶30
- 31 Film Incentive Credit Certificate number ▶ ▶31
- 32 Medical Device Credit Certificate number ▶ ▶32
- 33 Employer Wellness Program Credit Certificate number ▶ ▶33
- 34 Certified Housing Development Credit Certificate number ▶ ▶34
- 35 Life Science Company Tax Credit ▶35
- 36 Total credits. Add lines 22 through 35 36

Excise after credits

- 37 Excise due before voluntary contributions. Subtract line 36 from line 21. Not less than "0" 37
- 38 Voluntary contribution for endangered wildlife conservation ▶38
- 39 Total excise plus voluntary contribution. Add lines 37 and 38 ▶39



Name of company
GRIFFIN HOSPITAL

Federal Identification number
06-0647014

Payments

- 40 2014 overpayment applied to 2015 estimated tax ▶ 40
- 41 2015 Massachusetts estimated tax payments (do not include amount in line 40) ▶ 41
- 42 Payment made with extension ▶ 42
- 43 Pass-through entity withholding Payer Identification number ▶ ▶ 43
- 44 Refundable film credit ▶ 44
- 45 Refundable Dairy Credit Certificate number ▶ ▶ 45
- 46 Refundable life science credit ▶ 46
- 47 Refundable economic development incentive program credit ▶ 47
- 48 Refundable Conservation Land Credit Certificate number ▶ ▶ 48
- 49 Refundable Community Investment Credit Certificate number ▶ ▶ 49
- 50 Total payments. Add lines 40 through 49 50

Refund or balance due

- 51 Amount overpaid. Subtract line 39 from line 50 51
- 52 Amount overpaid to be credit to 2016 estimated tax ▶ 52
- 53 Amount overpaid to be refunded. Subtract line 52 from line 51 ▶ 53
- 54 Balance due. Subtract line 50 from line 39 ▶ 54
- 55a M-2220 penalty ▶ 55a
- 55b Other penalties ▶ 55b
- 55 Total penalty. Add lines 55a and 55b 55
- 56 Interest on unpaid balance ▶ 56
- 57 Total payment due at time of filing ▶ 57

C Corporation Tax Return 2015

North Carolina Department of Revenue

CD-405 (39)

For calendar year 2015, or other tax year beginning **10 01 15** and ending **09 30 16**

DOR Use Only

| | |
|---|---|
| GRIFFIN HOSPITAL 130 DIVISION STREET DERBY CT 06418 | Federal Employer ID Number 060647014 N.C. Secretary of State ID Number NAICS Code 622000 |
| <input type="checkbox"/> Initial Return <input type="checkbox"/> Combined Return <input type="checkbox"/> Non U.S./ Foreign <input checked="" type="checkbox"/> Final Return <input type="checkbox"/> Amended Return <input type="checkbox"/> Fed Sch M-3 is attached <input type="checkbox"/> Short Year Return <input checked="" type="checkbox"/> Tax Exempt <input type="checkbox"/> Captive REIT | <input type="checkbox"/> NC-478 is attached <input type="checkbox"/> CD-479 is attached <input type="checkbox"/> Has Escheatable Property |

GRIF 130 06418 060647014 622000

PP P00370668 PFSP P IR N FR Y SR N CR N AR N TE Y

TN 2037327528 NF N M3 N RE N 478 N 479 N EP N

GRIFFIN HOSPITAL

| | | |
|----------------------------|--------------|--------------------|
| 130 DIVISION STREET | DERBY | CT 06418 |
| GR | 0 09 | 0 21 0 31 0 |
| TA | 0 10 | 0 22 0 32 0 |
| 01 | 0 11 | 0 24 0 36 0 |
| HCE | N 13 | 0 26 0 EU |
| 02 | 0 15 | 0 27 0 37A 0 |
| 03 | 0 16 | 0 29A 0 37B 0 |
| 05 | 0 17 | 1000000 29B 0 40 0 |
| 06 | 0 18 | 0 29C 0 41 0 |
| 07 | 0 19 | 0 29D 0 42 0 |
| 08 | 0 20 | 0 29E 0 43 0 |



| | |
|--|---|
| Sch. A Computation of Franchise Tax | 9. Franchise Tax Overpaid 0 |
| 1. Cap Stock, Surplus, & Undivided Profits 0 | Sch. B Computation of Corporate Income Tax |
| Holding Company Exception N | 10. Federal Taxable Income 0 |
| 2. Investment in N.C. Tangible Property 0 | 11. Adjustments to Federal Taxable Income 0 |
| 3. Appraised Value of N.C. Tangible Property 0 | 12. Net Income Before Contributions 0 |
| 4. Taxable Amount 0 | 13. Contributions to Donees Outside N.C. 0 |
| 5. Total Franchise Tax Due 0 | 14. N.C. Taxable Income 0 |
| 6. Payment with Franchise Tax Extension 0 | 15. Nonapportionable Income 0 |
| 7. Tax Credits 0 | 16. Apportionable Income 0 |
| 8. Franchise Tax Due 0 | 17. Apportionment Factor 100.0000% |

Sign Return Below **Refund Due** 0 **Payment Due** 0

| | | |
|------------------------------------|---|--|
| Signature and Title of Officer | 203-732-7528 Corporate Telephone Number | Date |
| Signature of Paid Preparer | 860-760-0600 Preparer's Telephone Number | P00370668 Preparer's FEIN, SSN, or PTIN |

I certify that, to the best of my knowledge, this return is accurate and complete. FEIN SSN PTIN

CD-405 Line-by-Line Information

N.C. Education Endowment Fund: You may contribute to the N.C. Education Endowment Fund by making a contribution or designating some or all of your overpayment to the Fund. To make a contribution, enclose Form NC-EDU and your payment of 0

| Sch. B Computation of Corporate Income Tax | | Sch. D Investment in N.C. Tangible Property | |
|--|-----------|--|---|
| 18. Income Apportioned to N.C. | 0 | Inventory valuation method | |
| 19. Nonapportionable Income Allocated to N.C. | 0 | 1. Total inventories located in N.C. | 0 |
| 20. Income Subject to N.C. Tax | 0 | 2. Total furniture, fixtures, and M & E located in N.C. | 0 |
| 21. % Depletion over Cost - N.C. Property | 0 | 3. Total land and buildings located in N.C. | 0 |
| 22. State Net Loss (Attach schedule) | 0 | 4. Total leasehold improvements and other N.C. tangible property | 0 |
| 23. Income Before Contributions to N.C. Donees | 0 | 5. Add Lines 1 through 4 | 0 |
| 24. Contributions to N.C. Donees | 0 | 6. Acc. depreciation, depletion, and amortization with respect to N.C. tangible property | 0 |
| 25. Net Taxable Income | 0 | 7. Debts existing for N.C. real estate | 0 |
| 26. N.C. Net Income Tax | 0 | 8. Investment in N.C. Tangible Property | 0 |
| 27. Annual Report Fee | 0 | Sch. E Appraised Value of N.C. Tangible Property | |
| 28. Add Lines 26 and 27 | 0 | 1. County tax value of N.C. tangible property | 0 |
| 29. Payments and Credits | 0 | 2. Appraised value of N.C. tangible property | 0 |
| a. Income Tax Extension | 0 | Sch. G Federal Taxable Income Before NOL Deduction | |
| b. 2015 Estimated Tax (previous payments if amended) | 0 | 1. a. Gross receipts or sales | 0 |
| c. Partnership (include Form D-403, NC K-1) | 0 | b. Returns and allowances | 0 |
| d. Nonresident Withholding (include 1099 or W-2) | 0 | c. Balance - Line 1a minus Line 1b | 0 |
| e. Tax Credits | 0 | 2. Cost of goods sold (Attach schedule) | 0 |
| 30. Add Lines 29a through 29e | 0 | 3. Gross Profit (Line 1c minus Line 2) | 0 |
| 31. Income Tax Due | 0 | 4. Dividends (Attach schedule) | 0 |
| 32. Income Tax Overpaid | 0 | 5. a. Interest on obligations of U.S. and its instrumentalities | 0 |
| Tax Due or Refund | 0 | b. Other interest | 0 |
| 33. Franchise Tax Due or Overpayment | 0 | 6. Gross rents | 0 |
| 34. Income Tax Due or Overpayment | 0 | 7. Gross royalties | 0 |
| 35. Balance of Tax Due or Overpayment | 0 | 8. Capital gain net income (Attach schedule) | 0 |
| 36. Underpayment of Estimated Income Tax | 0 | 9. Net gain (loss) (Attach schedule) | 0 |
| EU. Exception to Underpayment of Estimated Tax | 0 | 10. Other income (Attach schedule) | 0 |
| 37. a. Interest | 0 | 11. Total Income | 0 |
| b. Penalties | 0 | 12. Compensation of officers (Attach schedule) | 0 |
| c. Add Lines 37a and 37b | 0 | 13. Salaries and wages (less employment credits) | 0 |
| 38. Total Due | 0 | 14. Repairs and maintenance | 0 |
| 39. Overpayment | 0 | 15. Bad debts | 0 |
| 40. 2016 Estimated Income Tax | 0 | 16. Rents | 0 |
| 41. N.C. Nongame and Endangered Wildlife Fund | 0 | 17. Taxes and licenses | 0 |
| 42. N.C. Education Endowment Fund | 0 | 18. Interest | 0 |
| 43. Amount to be Refunded | 0 | 19. Charitable contributions | 0 |
| Sch. C Capital Stock, Surplus, and Undivided Profits | 0 | 20. a. Depreciation | 0 |
| 1. Total capital stock outstanding less cost of treasury stock | 0 | b. Depreciation included in cost of goods sold | 0 |
| 2. Paid-in or capital surplus | 0 | c. Balance - Line 20a minus 20b | 0 |
| 3. Retained earnings | 0 | 21. Depletion | 0 |
| 4. Other surplus | 0 | 22. Advertising | 0 |
| 5. Deferred or unearned income | 0 | 23. Pension, profit-sharing, and similar plans | 0 |
| 6. Allowance for bad debts | 0 | 24. Employee benefit programs | 0 |
| 7. LIFO reserves | 0 | 25. Domestic production activities deduction | 0 |
| 8. Other reserves that do not represent definite and accrued legal liabilities (Attach schedule) | 0 | 26. Other deductions (Attach schedule) | 0 |
| 9. Add Lines 1 through 8 | 0 | 27. Total Deductions | 0 |
| 10. Affiliated indebtedness (Attach schedule) | 0 | 28. Taxable Income Per Federal Return Before NOL and Special Deductions | 0 |
| 11. Line 9 plus (or minus) Line 10 | 0 | 29. Special Deductions | 0 |
| 12. Apportionment factor | 100.0000% | 30. Federal Taxable Income | 0 |
| 13. Capital Stock, Surplus, and Undivided Profits | 0 | | |

Sch. H Adjustments to Federal Taxable Income

| | | |
|--|-----|---|
| 1. Additions | | |
| a. Taxes based on net income | 1a. | 0 |
| b. Dividends paid by captive REITs | 1b. | 0 |
| c. Contributions | 1c. | 0 |
| d. Royalties paid to related members | 1d. | 0 |
| e. Expenses attributable to income not taxed | 1e. | 0 |
| f. Domestic production activities deduction | 1f. | 0 |
| g. Other (Attach schedule) | 1g. | 0 |
| 2. Total Additions | 2. | 0 |
| 3. Deductions | | |
| a. U.S. obligation interest (net of expenses) | 3a. | 0 |
| b. Other deductible dividends | 3b. | 0 |
| c. Dividends received from captive REITs | 3c. | 0 |
| d. Royalties received from related members | 3d. | 0 |
| e. Interest on deposits with FHLB (net of expenses) S&L's only | 3e. | 0 |
| f. Bonus depreciation | 3f. | 0 |
| g. Section 179 expense deduction | 3g. | 0 |
| h. Other (Attach schedule) | 3h. | 0 |
| 4. Total Deductions | 4. | 0 |
| 5. Adjustments to Federal Taxable Income | 5. | 0 |

Sch. I Contributions

| | | |
|---|-----|---|
| 1. Contributions to Donees Outside N.C. | | |
| a. Total contributions to donees outside N.C. | 1a. | 0 |
| b. Multiply Schedule B, Line 12 by 5%, if Line 12 is greater than zero. Otherwise enter zero. | 1b. | 0 |
| c. Amount Deductible | 1c. | 0 |
| 2. Contributions to N.C. Donees | | |
| a. Total contributions to N.C. donees other than those listed in Line 2d | 2a. | 0 |
| b. Multiply Sch. B, Line 23 by 5%, if Line 23 is greater than zero. Otherwise enter zero. | 2b. | 0 |
| c. Enter the lesser of Line 2a or 2b | 2c. | 0 |
| d. Total contributions to the State of N.C. and its political subdivisions | 2d. | 0 |
| e. Amount Deductible | 2e. | 0 |

Other Information - All Taxpayers Must Complete this Schedule

| | | | |
|--|----------|---|-------------|
| 1. a. State of incorporation | CT | 8. Is this corporation subject to franchise tax but not N.C. income tax because the corporation's income tax activities are protected under P.L. 86-272? (If yes, attach explanation) | N |
| b. Date incorporated | | 9. Officers' names and addresses: | |
| 2. Date of N.C. Certificate of Authority | | President | STATEMENT 3 |
| 3. a. Reg or principal trade or bus in N.C. | HOSPITAL | Vice-President | |
| b. Reg or principal trade or bus everywhere | HOSPITAL | Secretary | |
| 4. Principal place bus is directed or managed | DERBY | Treasurer | |
| 5. What was the last year the IRS redetermined the corporation's federal taxable income? | | | |
| 6. a. Were adjustments reported to N.C.? | N | | |
| b. If so, when? | | | |
| 7. Does this corporation finance or discount its receivables through a related or an affiliated company? | N | | |

Explanation of Changes for Amended Return:

Sch. L Balance Sheet per Books

| Assets | Beginning of Tax Year | | End of Tax Year | |
|---|-----------------------|-----|-----------------|-----|
| | (a) | (b) | (c) | (d) |
| 1. Cash | | 0 | | 0 |
| 2. a. Trade notes and accounts receivable | 0 | | 0 | |
| b. Less allowance for bad debts (| 0) | 0 (| 0) | 0 |
| 3. Inventories | | 0 | | 0 |
| 4. a. U.S. government obligations | | 0 | | 0 |
| b. State and other obligations | | 0 | | 0 |
| 5. Tax-exempt securities | | 0 | | 0 |
| 6. Other current assets (Attach schedule) | | 0 | | 0 |
| 7. Loans to shareholders | | 0 | | 0 |
| 8. Mortgage and real estate loans | | 0 | | 0 |
| 9. Other investments (Attach schedule) | | 0 | | 0 |
| 10. a. Buildings and other depreciable assets | 0 | | 0 | |
| b. Less accumulated depreciation (| 0) | 0 (| 0) | 0 |
| 11. a. Depletable assets | 0 | | 0 | |
| b. Less accumulated depletion (| 0) | 0 (| 0) | 0 |
| 12. Land (net of any amortization) | | 0 | | 0 |
| 13. a. Intangible assets (amortizable only) | 0 | | 0 | |
| b. Less accumulated amortization (| 0) | 0 (| 0) | 0 |
| 14. Other assets (Attach schedule) | | 0 | | 0 |
| 15. Total Assets | | 0 | | 0 |
| Liabilities and Shareholders' Equity | | | | |
| 16. Accounts payable | | 0 | | 0 |
| 17. Mortgages, notes, and bonds payable in less than 1 year | | 0 | | 0 |
| 18. Other current liabilities (Attach schedule) | | 0 | | 0 |
| 19. Loans from shareholders | | 0 | | 0 |
| 20. Mortgages, notes, and bonds payable in 1 year or more | | 0 | | 0 |
| 21. Other liabilities (Attach schedule) | | 0 | | 0 |
| 22. Capital stock: a. Preferred Stock | 0 | | 0 | |
| b. Common Stock | 0 | 0 | 0 | 0 |
| 23. Additional paid-in capital | | 0 | | 0 |
| 24. Retained earnings - Appropriated (Attach schedule) | | 0 | | 0 |
| 25. Retained earnings - Unappropriated | | 0 | | 0 |
| 26. Adjustments to shareholders' equity (Attach schedule) | | 0 | | 0 |
| 27. Less cost of treasury stock | (| 0) | (| 0) |
| 28. Total Liabilities and Shareholders' Equity | | 0 | | 0 |

Sch. M-1 Reconciliation of Income (Loss) per Books with Income per Return

| | | | |
|--|------|---|------|
| 1. Net income (loss) per books | 0 | 7. Income recorded on books this year | |
| 2. Federal income tax | 0 | not included on this return: | |
| 3. Excess of capital losses over capital gains | 0 | Tax-exempt interest | \$ 0 |
| 4. Income subject to tax not recorded on books this year: | 0 | | |
| 5. Expenses recorded on books this year not deducted on this return: | | 8. Deductions on this return not charged against book income this year: | |
| a. Depreciation | \$ 0 | a. Depreciation | \$ 0 |
| b. Charitable Contributions | \$ 0 | b. Charitable Contributions | \$ 0 |
| c. Travel and entertainment | \$ 0 | | |
| 6. Add Lines 1 through 5 | 0 | 9. Add Lines 7 and 8 | 0 |
| | 0 | 10. Income | 0 |

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Sch. M-2 Retained Earnings Analysis

| | | | | |
|---------------------------------|---|---------------------------|-------------|---|
| 1. Balance at beginning of year | 0 | 5. Distributions: | a. Cash | 0 |
| 2. Net income (loss) per books | 0 | | b. Stock | 0 |
| 3. Other increases: | | | c. Property | 0 |
| | | 6. Other decreases: | | 0 |
| | 0 | 7. Add Lines 5 and 6 | | 0 |
| 4. Add Lines 1, 2, and 3 | 0 | 8. Balance at End of Year | | 0 |

Sch. N Nonapportionable Income

| Nonapportionable Income | Gross Amounts | Related Expenses | Net Amounts | Net Amounts Allocated Directly to N.C. |
|--|---------------|------------------|-------------|--|
| | 0 | 0 | 0 | 0 |
| | 0 | 0 | 0 | 0 |
| | 0 | 0 | 0 | 0 |
| | 0 | 0 | 0 | 0 |
| | 0 | 0 | 0 | 0 |
| 1. Nonapportionable Income | | | 0 | |
| 2. Nonapportionable Income Allocated to N.C. | | | | 0 |

Explanation of why income listed is nonapportionable income rather than apportionable income:

Sch. O Computation of Apportionment Factor

Part 1. Domestic and Other Corporations Not Apportioning Franchise or Income Outside N.C. .0000%

Part 2. Corporations Apportioning Franchise or Income to N.C. and to Other States

| | 1. Within North Carolina | | 2. Total Everywhere | | Factor |
|--|--------------------------|-------------------|----------------------|-------------------|--------|
| | (a) Beginning Period | (b) Ending Period | (a) Beginning Period | (b) Ending Period | |
| 1. Land | 0 | 0 | 0 | 0 | |
| 2. Buildings | 0 | 0 | 0 | 0 | |
| 3. Inventories | 0 | 0 | 0 | 0 | |
| 4. Other property | 0 | 0 | 0 | 0 | |
| 5. Total | 0 | 0 | 0 | 0 | |
| 6. Average value of property | | 0 | | 0 | |
| 7. Rented Property | | 0 | | 0 | |
| 8. Property Factor | | 0 | | 0 | .0000% |
| 9. Gross Payroll | | 0 | | 0 | |
| 10. Compensation of general executive officers | | 0 | | 0 | |
| 11. Payroll Factor | | 0 | | 0 | .0000% |
| 12. Sales Factor | | 0 | | 0 | .0000% |
| 13. Sales Factor | | | | | .0000% |
| 14. Total of Factors | | | | | .0000% |
| 15. N.C. Apportionment Factor | | | | | .0000% |

Part 3. Corporations Apportioning Franchise or Income to N.C. and to Other States Using Single Sales Factor .0000%

Part 4. Special Apportionment 100.0000%

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NC SCH B CURRENT YEAR STATE INCOME/LOSS AND SNL DEDUCTION STATEMENT 1

| | |
|--|----|
| 1) INCOME BEFORE APPORTIONMENT | 0. |
| 2) TAX EXEMPT MUNICIPAL INTEREST | 0. |
| 3) U.S. INTEREST | 0. |
| 4) DEDUCTIBLE PORTION OF DIVIDENDS | 0. |
| 5) DEDUCTIBLE PORTION OF PRIOR YEAR CAPITAL LOSS | 0. |
| 6) OTHER TAX EXEMPT INCOME | 0. |
| 7) INCOME BEFORE APPORTIONMENT AND TAX EXEMPT INCOME | 0. |
| 8) NONBUSINESS INCOME (MULTISTATE CORPORATIONS ONLY) | 0. |
| 9) OTHER DEDUCTIONS FROM TAX EXEMPT INCOME | 0. |
| 10) TOTAL BUSINESS INCOME | 0. |
| (IF ALL BUSINESS IS IN N.C. SKIP TO LINE 20) | |

MULTISTATE CORPORATIONS

| | |
|--|-----------|
| 11) APPORTIONMENT PERCENT | 100.0000% |
| 12) APPORTIONED BUSINESS INCOME | |
| 13) APPORTIONABLE NORTH CAROLINA NONBUSINESS INCOME | |
| 14) APPORTIONED NORTH CAROLINA NONBUSINESS INCOME | |
| 15) OTHER APPORTIONABLE ADJUSTMENTS | 0. |
| 16) NONBUSINESS INCOME ALLOCATED TO NORTH CAROLINA | |
| 17) NONBUSINESS INCOME NOT TAXABLE TO NORTH CAROLINA | 0. |
| 18) APPORTIONED NONBUSINESS INCOME NOT TAXABLE TO NC | 0. |
| 19) CONTRIBUTIONS TO NORTH CAROLINA DONEES | 0. |
| 20) TOTAL STATE NET INCOME (LOSS) | 0. |
| 21) STATE NET INCOME AS TAXABLE INCOME | 0. |
| 22) NONTAXABLE PORTION OF STATE NET INCOME | 0. |

STATE NET LOSS DEDUCTION:

| | STATE NET LOSS | TAXABLE INCOME LOSS SUSTAINED | NON TAXABLE LOSS SUSTAINED |
|------|-------------------|----------------------------------|-------------------------------|
| 2000 | 0. | 0. | 0. |
| 2001 | 0. | 0. | 0. |
| 2002 | 0. | 0. | 0. |
| 2003 | 0. | 0. | 0. |
| 2004 | 0. | 0. | 0. |
| 2005 | 0. | 0. | 0. |
| 2006 | 0. | 0. | 0. |
| 2007 | 0. | 0. | 0. |
| 2008 | 0. | 0. | 0. |
| 2009 | 0. | 0. | 0. |
| 2010 | 0. | 0. | 0. |
| 2011 | 0. | 0. | 0. |
| 2012 | 18,307. | 18,307. | 0. |
| 2013 | 959. | 959. | 0. |
| 2014 | 0. | 0. | 0. |

NC SCH B STATE NET LOSS (CONTINUED) STATEMENT 2

| | LOSS PREVIOUSLY APPLIED | TAXABLE LOSS APPLIED | NON TAXABLE LOSS APPLIED |
|---|----------------------------|-------------------------|-----------------------------|
| 2000 | 0. | 0. | 0. |
| 2001 | 0. | 0. | 0. |
| 2002 | 0. | 0. | 0. |
| 2003 | 0. | 0. | 0. |
| 2004 | 0. | 0. | 0. |
| 2005 | 0. | 0. | 0. |
| 2006 | 0. | 0. | 0. |
| 2007 | 0. | 0. | 0. |
| 2008 | 0. | 0. | 0. |
| 2009 | 0. | 0. | 0. |
| 2010 | 0. | 0. | 0. |
| 2011 | 0. | 0. | 0. |
| 2012 | 1,761. | 1,761. | 0. |
| 2013 | 0. | 0. | 0. |
| 2014 | 0. | 0. | 0. |
| | REMAINING | REMAINING | LOSS REMAINING |
| 2000 | 0. | 0. | 0. |
| 2001 | 0. | 0. | 0. |
| 2002 | 0. | 0. | 0. |
| 2003 | 0. | 0. | 0. |
| 2004 | 0. | 0. | 0. |
| 2005 | 0. | 0. | 0. |
| 2006 | 0. | 0. | 0. |
| 2007 | 0. | 0. | 0. |
| 2008 | 0. | 0. | 0. |
| 2009 | 0. | 0. | 0. |
| 2010 | 0. | 0. | 0. |
| 2011 | 0. | 0. | 0. |
| 2012 | 16,546. | 16,546. | 0. |
| 2013 | 959. | 959. | 0. |
| 2014 | 0. | 0. | 0. |
| TOTAL | 17,505. | 17,505. | 0. |
| TOTAL REMAINING LOSS | | | 17,505. |
| TOTAL AVAILABLE LOSS | | | 17,505. |
| CURRENT YEAR STATE GAIN OR LOSS | | | 0. |
| STATE NET LOSS USED TO OFFSET CURRENT NONTAXABLE INCOME | | | 0. |
| STATE NET LOSS DEDUCTION | | | 0. |

NC

OFFICERS' NAMES AND ADDRESSES

STATEMENT 3

PRESIDENT:

PATRICK CHARMEL
130 DIVISION STREET