

January 20, 2015

Kimberly R. Martone, Director of Operations  
State of Connecticut Department of Public Health  
Office of Health Care Access  
410 Capitol Avenue, MS#13HCA  
P.O. Box 340308  
Hartford, Connecticut 06134-0308

Re: New Annual Reporting for all Medical Foundations  
Required Pursuant to Section 3 of Public Act 14-168

Dear Ms. Martone:

MHS Primary Care, Inc. ("MHSPC") is a medical foundation formed through the amendment and restatement of its Certificate of Incorporation on August 20, 2014. MHSPC submits this letter in connection with its annual filing requirement under Section 3 of Public Act 14-168 and in response to your letter dated November 24, 2014. Thank you for the extension to February 2, 2015 to complete the required report.

MHSPC is a taxable corporation and its required federal tax filings are on a **Form 1120, U. S. Corporation Income Tax Return**. As MHSPC does not file the **Form 990, Return of Organization Exempt From Income Tax**, it finds itself in what we understand is the unique position in the State of needing to meet the requirement to file "information substantially similar to that required by such [IRS Form 990]."

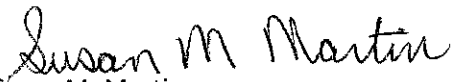
Completion of the Form 990 is an involved process that in our experience routinely requires one or more extensions over a period of months in order to accumulate the information and prepare the filing. Middlesex Health System, Inc., for its required Form 990 tax returns, uses its auditor's proprietary Tax Service software to organize the information in the proper format on the various schedules that make up the filing, some of which are interrelated. We have consulted with our auditor's Tax Service on the most efficient means to timely comply with OHCA's "substantially similar" report requirement for MHSPC. In addition to the compilation of the information, preparing a "substantially similar" document will also require us to work closely with auditor's Tax Service in the additional step of converting the information to a generic word document to preclude confusion for the public accessing it from the DPH website. We do not want it to appear as though the information is contained in an actual Form 990, as would customarily be the case if the filing were prepared using the software. All of this requires additional time and expense.

At this point, we have had extensive email exchanges and a telephone conversation with OHCA's Jack Huber and Karen Roberts to discuss just what "substantially similar" means, but given MHSPC's uniqueness in this situation and given that this is the first year that such report is required, they, understandably, were not able to give us concrete advice.

As is mentioned above, MHSPC filed its Amended and Restated Certificate of Incorporation with the Secretary of State on August 20, 2014 and thus has been operating as a medical foundation for only approximately five (5) months. Given this timing, MHSPC respectfully requests that OCHA accept the attached Form 1120 for FYE September 30, 2013 for purposes of MHSPC's current reporting obligation and MHSPC's yet-to-be-filed Form 1120 for FYE September 30, 2014. After the close of MHSPC's first year as a medical foundation on September 30, 2015, MHSPC can work with its auditors to prepare the "substantially similar" filing to submit to OHCA.

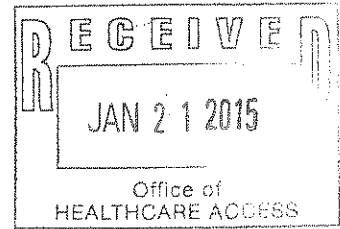
We thank you for your consideration of this filing and our request, and we look forward to hearing from you. Please contact Donald Ludwig by telephone at 860-358-6879 or email to [don.ludwig@midhosp.org](mailto:don.ludwig@midhosp.org) with any questions that you have.

Sincerely,

  
Susan M. Martin  
Treasurer

enclosure

**MHS Primary Care, Inc.  
28 Crescent Street  
Middletown, Connecticut 06457**



**Medical Foundation Annual Report Pursuant to Section 3 of Public Act 14-168**

- 1. Mission Statement**  
MHS Primary Care, Inc. exists to provide the safest, highest-quality health care and best experience possible for our community.
  
- 2. MHS Primary Care, Inc., d.b.a. Middlesex Hospital Primary Care ("MHSPC"), operates primary care offices in 10 locations throughout Middlesex County with offices in Chester, Cromwell, Durham, East Haddam, Essex, Madison, Middletown, Old Saybrook, Portland and Westbrook and an Urgent Care office in Madison.**
  
- 3. During FYE September 30, 2014, MHSPC opened a primary care office in East Haddam and its first Urgent Care office in Madison. On August 20, 2014, MHSPC obtained its Medical Foundation status.**
  
- 4. MHSPC is a non-profit, taxable Connecticut non-stock corporation with a fiscal year ending September 30. As a taxable corporation, MHSPC's federal tax filings are on Form 1120, U.S. Corporation Income Tax Return. The Form 1120 for the tax year ending September 30, 2013 is attached.**

**U.S. Corporation Income Tax Return**  
For calendar year 2012 or tax year beginning 10/01/2012, ending 09/30/2013  
Information about Form 1120 and its separate instructions is at [www.irs.gov/form1120](http://www.irs.gov/form1120).

A Check if: 1a Consolidated return (attach Form 851) b Life/nonlife consolidated return 2 Personal holding co. (attach Sch. PH) 3 Personal service corp. (see instructions) 4 Schedule M-3 attached	TYPE OR PRINT	Name <b>MHS PRIMARY CARE, INC.</b> Number, street, and room or suite no. If a P.O. box, see instructions. <b>28 CRESCENT STREET</b> City or town, state, and ZIP code <b>MIDDLETOWN, CT 06457</b>	B Employer identification number <b>06-1472743</b> C Date incorporated <b>01/15/1997</b> D Total assets (see instructions) \$ <b>3,895,677.</b>
E Check if: (1) Initial return (2) Final return (3) Name change (4) Address change			

Income	1a Gross receipts or sales	1a	19,330,979.		
	b Returns and allowances	1b	7,692,926.		
	c Balance. Subtract line 1b from line 1a			1c	11,638,053.
	2 Cost of goods sold (attach Form 1125-A)			2	
	3 Gross profit. Subtract line 2 from line 1c			3	11,638,053.
	4 Dividends (Schedule C, line 19)			4	
	5 Interest		SEE STATEMENT 1.	5	16.
	6 Gross rents			6	33,322.
	7 Gross royalties			7	
	8 Capital gain net income (attach Schedule D (Form 1120))			8	
	9 Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)			9	1,010.
10 Other income (see instructions - attach statement)		SEE STATEMENT 1.	10	550,566.	
11 Total income. Add lines 3 through 10			11	12,222,967.	

Deductions (See instructions for limitations on deductions.)	12 Compensation of officers (see instructions - attach Form 1125-E)				
	13 Salaries and wages (less employment credits)			13	10,109,563.
	14 Repairs and maintenance			14	
	15 Bad debts			15	-16,587.
	16 Rents			16	832,547.
	17 Taxes and licenses		SEE STATEMENT 2.	17	25,706.
	18 Interest			18	-52,584.
	19 Charitable contributions			19	
	20 Depreciation from Form 4562 not claimed on Form 1125-A or elsewhere on return (attach Form 4562)			20	136,920.
	21 Depletion			21	
	22 Advertising			22	
	23 Pension, profit-sharing, etc., plans			23	
	24 Employee benefit programs			24	1,789,307.
	25 Domestic production activities deduction (attach Form 8903)			25	
	26 Other deductions (attach statement)		SEE STATEMENT 3.	26	2,028,507.
	27 Total deductions. Add lines 12 through 26			27	14,958,547.
	28 Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11			28	-2,735,580.
29a Net operating loss deduction (see instructions)	29a	NONE		STMT 4	
b Special deductions (Schedule C, line 20)	29b				
c Add lines 29a and 29b			29c	NONE	

Tax, Refundable Credits, and Payments	30 Taxable income. Subtract line 29c from line 28 (see instructions)				
	31 Total tax (Schedule J, Part I, line 11)			31	NONE
	32 Total payments and refundable credits (Schedule J, Part II, line 21)			32	
	33 Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>			33	
	34 Amount owed. If line 32 is smaller than the total of lines 31 and 33, enter amount owed			34	NONE
	35 Overpayment. If line 32 is larger than the total of lines 31 and 33, enter amount overpaid			35	
36 Enter amount from line 35 you want credited to 2013 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>			36		

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

Sign Here: Signature of officer SUSAN M MARTIN Date \_\_\_\_\_ Title TREASURER Date 06/09/2014

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

Paid	Print/Type preparer's name <b>JAMES CUGLIETTO</b>	Preparer's signature <i>[Signature]</i>	Date <b>06/09/2014</b>	Check <input type="checkbox"/> if PTIN self-employed <b>P01437416</b>
Preparer Use Only	Firm's name <b>ERNST &amp; YOUNG U.S. LLP</b>			Firm's EIN <b>34-6565596</b>
	Firm's address <b>300 FIRST STAMFORD PLACE</b> <b>STAMFORD, CT 06902</b>			Phone no. <b>2036742300</b>

**Application for Automatic Extension of Time To File Certain Business Income Tax, Information, and Other Returns**

OMB No. 1545-0233

File a separate application for each return.

Information about Form 7004 and its separate instructions is at [www.irs.gov/form7004](http://www.irs.gov/form7004).

Print  
or  
Type

Name	identifying number
MHS PRIMARY CARE, INC.	06-1472743
Number, street, and room or suite no. (If P.O. box, see instructions.)	
28 CRESCENT STREET	
City, town, state, and ZIP code (If a foreign address, enter city, province or state, and country (follow the country's practice for entering postal code)).	
MIDDLETOWN, CT 06457	

**Note.** File request for extension by the due date of the return for which the extension is granted. See instructions before completing this form.

**Part I Automatic 5-Month Extension**

1a Enter the form code for the return that this application is for (see below) . . . . .

Application Is For:	Form Code	Application Is For:	Form Code
Form 1065	09	Form 1041 (estate other than a bankruptcy estate)	04
Form 8804	31	Form 1041 (trust)	05

**Part II Automatic 6-Month Extension**

b Enter the form code for the return that this application is for (see below) . . . . .

Application Is For:	Form Code	Application Is For:	Form Code
Form 706-GS(D)	01	Form 1120-ND (section 4951 taxes)	20
Form 706-GS(T)	02	Form 1120-PC	21
Form 1041 (bankruptcy estate only)	03	Form 1120-POL	22
Form 1041-N	06	Form 1120-REIT	23
Form 1041-QFT	07	Form 1120-RIC	24
Form 1042	08	Form 1120S	25
Form 1065-B	10	Form 1120-SF	26
Form 1066	11	Form 3520-A	27
Form 1120	12	Form 8612	28
Form 1120-C	34	Form 8613	29
Form 1120-F	15	Form 8725	30
Form 1120-FSC	16	Form 8831	32
Form 1120-H	17	Form 8876	33
Form 1120-L	18	Form 8924	35
Form 1120-ND	19	Form 8928	36

2 If the organization is a foreign corporation that does not have an office or place of business in the United States, check here . . . . .

3 If the organization is a corporation and is the common parent of a group that intends to file a consolidated return, check here . . . . .   
If checked, attach a statement, listing the name, address, and Employer Identification Number (EIN) for each member covered by this application.

**Part III All Filers Must Complete This Part**

4 If the organization is a corporation or partnership that qualifies under Regulations section 1.6081-5, check here . . . . .

5 a The application is for calendar year 20 \_\_\_\_ , or tax year beginning 10/01 , 20 12 , and ending 09/30 , 20 13 .

b Short tax year. If this tax year is less than 12 months, check the reason:  Initial return  Final return  
 Change in accounting period  Consolidated return to be filed  Other (see instructions-attach explanation)

6 Tentative total tax . . . . .	6	NONE
7 Total payments and credits (see instructions) . . . . .	7	NONE
8 Balance due. Subtract line 7 from line 6 (see instructions) . . . . .	8	NONE

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.

Form 7004 (Rev. 12-2012)

**Schedule C Dividends and Special Deductions** (see instructions)

	(a) Dividends received	(b) %	(c) Special deductions (a) x (b)
1 Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock) . . . . .		70	
2 Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock) . . . . .		80	
3 Dividends on debt-financed stock of domestic and foreign corporations . . . . .		see instructions	
4 Dividends on certain preferred stock of less-than-20%-owned public utilities . . . . .		42	
5 Dividends on certain preferred stock of 20%-or-more-owned public utilities . . . . .		48	
6 Dividends from less-than-20%-owned foreign corporations and certain FSCs . . . . .		70	
7 Dividends from 20%-or-more-owned foreign corporations and certain FSCs . . . . .		80	
8 Dividends from wholly owned foreign subsidiaries . . . . .		100	
9 Total. Add lines 1 through 8. See instructions for limitation . . . . .			
10 Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958 . . . . .		100	
11 Dividends from affiliated group members . . . . .		100	
12 Dividends from certain FSCs . . . . .		100	
13 Dividends from foreign corporations not included on lines 3, 6, 7, 8, 11, or 12 . . . . .			
14 Income from controlled foreign corporations under subpart F (attach Form(s) 5471), . . . . .			
15 Foreign dividend gross-up . . . . .			
16 IC-DISC and former DISC dividends not included on lines 1, 2, or 3, . . . . .			
17 Other dividends . . . . .			
18 Deduction for dividends paid on certain preferred stock of public utilities . . . . .			
19 Total dividends. Add lines 1 through 17. Enter here and on page 1, line 4 . . . . .			
20 Total special deductions. Add lines 9, 10, 11, 12, and 18. Enter here and on page 1, line 29b . . . . .			

**Schedule J Tax Computation and Payment** (see instructions)

**Part I - Tax Computation**

1	Check if the corporation is a member of a controlled group (attach Schedule O (Form 1120))	<input checked="" type="checkbox"/>	
2	Income tax. Check if a qualified personal service corporation (see instructions)	<input type="checkbox"/>	NONE
3	Alternative minimum tax (attach Form 4626)		NONE
4	Add lines 2 and 3		NONE
5a	Foreign tax credit (attach Form 1118)	5a	
	b Credit from Form 8834, line 30 (attach Form 8834)	5b	
	c General business credit (attach Form 3800)	5c	
	d Credit for prior year minimum tax (attach Form 8827)	5d	
	e Bond credits from Form 8912	5e	
6	Total credits. Add lines 5a through 5e	6	
7	Subtract line 6 from line 4	7	NONE
8	Personal holding company tax (attach Schedule PH (Form 1120))	8	
9a	Recapture of investment credit (attach Form 4255)	9a	
	b Recapture of low-income housing credit (attach Form 8611)	9b	
	c Interest due under the look-back method - completed long-term contracts (attach Form 8697)	9c	
	d Interest due under the look-back method - income forecast method (attach Form 8866)	9d	
	e Alternative tax on qualifying shipping activities (attach Form 8902)	9e	
	f Other (see instructions - attach statement)	9f	
10	Total. Add lines 9a through 9f	10	
11	Total tax. Add lines 7, 8, and 10. Enter here and on page 1, line 31	11	NONE

**Part II - Payments and Refundable Credits**

12	2011 overpayment credited to 2012	12	
13	2012 estimated tax payments	13	
14	2012 refund applied for on Form 4466	14	( )
15	Combine lines 12, 13, and 14	15	
16	Tax deposited with Form 7004	16	
17	Withholding (see instructions)	17	
18	Total payments. Add lines 15, 16, and 17	18	
19	Refundable credits from:		
	a Form 2439	19a	
	b Form 4136	19b	
	c Form 8827, line 8c	19c	
	d Other (attach statement - see instructions)	19d	
20	Total credits. Add lines 19a through 19d	20	
21	Total payments and credits. Add lines 18 and 20. Enter here and on page 1, line 32	21	

**Schedule K Other Information** (see instructions)

1	Check accounting method: a <input type="checkbox"/> Cash b <input checked="" type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ▶	Yes	No
2	See the instructions and enter the:		
	a Business activity code no. ▶ 621111		
	b Business activity ▶ PHYSICIAN PRACTICE		
	c Product or service ▶ HEALTH CARE		
3	Is the corporation a subsidiary in an affiliated group or a parent-subsidary controlled group? If "Yes," enter name and EIN of the parent corporation ▶ MIDDLESEX HEALTH SYSTEM, INC. 22-2676137		X
4	At the end of the tax year:		
	a Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part I of Schedule G (Form 1120) (attach Schedule G)		X
	b Did any individual or estate own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part II of Schedule G (Form 1120) (attach Schedule G)		X

Schedule K Other Information continued (see instructions)

5 At the end of the tax year, did the corporation:

- a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation not included on Form 851, Affiliations Schedule? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below.

Table with 4 columns: (i) Name of Corporation, (ii) Employer Identification Number (if any), (iii) Country of Incorporation, (iv) Percentage Owned in Voting Stock. Includes Yes/No checkboxes.

- b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below.

Table with 4 columns: (i) Name of Entity, (ii) Employer Identification Number (if any), (iii) Country of Organization, (iv) Maximum Percentage Owned in Profit, Loss, or Capital. Includes Yes/No checkboxes.

6 During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316.)

7 At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of (a) the total voting power of all classes of the corporation's stock entitled to vote or (b) the total value of all classes of the corporation's stock?

8 Check this box if the corporation issued publicly offered debt instruments with original issue discount. If checked, the corporation may have to file Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments.

9 Enter the amount of tax-exempt interest received or accrued during the tax year \$

10 Enter the number of shareholders at the end of the tax year (if 100 or fewer)

11 If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here. If the corporation is filing a consolidated return, the statement required by Regulations section 1.1502-21(b)(3) must be attached or the election will not be valid.

12 Enter the available NOL carryover from prior tax years (do not reduce it by any deduction on line 29a.) \$ 26,817,387

13 Are the corporation's total receipts (line 1c plus lines 4 through 10 on page 1) for the tax year and its total assets at the end of the tax year less than \$250,000? If "Yes," the corporation is not required to complete Schedules L, M-1, and M-2 on page 5. Instead, enter the total amount of cash distributions and the book value of property distributions (other than cash) made during the tax year \$

14 Is the corporation required to file Schedule UTP (Form 1120), Uncertain Tax Position Statement (see instructions)? If "Yes," complete and attach Schedule UTP.

15a Did the corporation make any payments in 2012 that would require it to file Form(s) 1099? b If "Yes," did or will the corporation file required Forms 1099?

16 During this tax year, did the corporation have an 80% or more change in ownership, including a change due to redemption of its own stock?

17 During or subsequent to this tax year, but before the filing of this return, did the corporation dispose of more than 65% (by value) of its assets in a taxable, non-taxable, or tax deferred transaction?

18 Did the corporation receive assets in a section 351 transfer in which any of the transferred assets had a fair market basis or fair market value of more than \$1 million?



Schedule L	Balance Sheets per Books	Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
<b>Assets</b>					
1	Cash		1,215,586.		1,238,253.
2a	Trade notes and accounts receivable	808,431.		838,811.	
b	Less allowance for bad debts	(48,941.)	759,490.	(65,527.)	773,284.
3	Inventories				
4	U.S. government obligations				
5	Tax-exempt securities (see instructions)				
6	Other current assets (attach schedule)	STMT 5	99,054.		85,942.
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments (attach schedule)				
10a	Buildings and other depreciable assets	4,742,982.		4,792,315.	
b	Less accumulated depreciation	(2,795,949.)	1,947,033.	(3,067,081.)	1,725,234.
11a	Depletable assets				
b	Less accumulated depletion	( )		( )	
12	Land (net of any amortization)				
13a	Intangible assets (amortizable only)				
b	Less accumulated amortization	( )		( )	
14	Other assets (attach schedule)	STMT 5	NONE		72,964.
15	<b>Total assets</b>		4,021,163.		3,895,677.
<b>Liabilities and Shareholders' Equity</b>					
16	Accounts payable		195,711.		58,765.
17	Mortgages, notes, bonds payable in less than 1 year				
18	Other current liabilities (attach schedule)	STMT 5	1,367,698.		1,454,810.
19	Loans from shareholders				
20	Mortgages, notes, bonds payable in 1 year or more		1,017,454.		914,924.
21	Other liabilities (attach schedule)	STMT 5	114,780.		58,786.
22	Capital stock: a Preferred stock				
b	Common stock				
23	Additional paid-in capital		30,346,351.		33,345,348.
24	Retained earnings - Appropriated (attach schedule)				
25	Retained earnings - Unappropriated		-29,020,831.		-31,936,956.
26	Adjustments to shareholders' equity (attach schedule)				
27	Less cost of treasury stock		( )		( )
28	<b>Total liabilities and shareholders' equity</b>		4,021,163.		3,895,677.

**Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return**

Note: Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more - see instructions

1	Net income (loss) per books	-2,916,125.	7	Income recorded on books this year not included on this return (itemize): Tax-exempt interest \$	
2	Federal income tax per books		8	Deductions on this return not charged against book income this year (itemize): a Depreciation, \$ b Charitable contributions, \$	
3	Excess of capital losses over capital gains			SEE STATEMENT 6	17,845.
4	Income subject to tax not recorded on books this year (itemize):		9	Add lines 7 and 8	17,845.
5	Expenses recorded on books this year not deducted on this return (itemize): a Depreciation \$ b Charitable contributions \$ c Travel and entertainment, \$	134,211. 2,964.	10	Income (page 1, line 28) - line 6 less line 9	-2,735,580.
6	Add lines 1 through 5	61,215. -2,717,735.			

**Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)**

1	Balance at beginning of year	-29,020,831.	5	Distributions: a Cash	
2	Net income (loss) per books	-2,916,125.	b	Stock	
3	Other increases (itemize):		c	Property	
4	Add lines 1, 2, and 3	-31,936,956.	6	Other decreases (itemize):	
			7	Add lines 5 and 6	
			8	Balance at end of year (line 4 less line 7)	-31,936,956.

**SCHEDULE G**  
**(Form 1120)**  
(Rev. December 2011)  
Department of the Treasury  
Internal Revenue Service

**Information on Certain Persons Owning the Corporation's Voting Stock**

OMB No. 1545-0123

▶ Attach to Form 1120.  
▶ See instructions on page 2.

Name

Employer identification number (EIN)

MHS PRIMARY CARE, INC.

06-1472743

**Part I** **Certain Entities Owning the Corporation's Voting Stock.** (Form 1120, Schedule K, Question 4a). Complete columns (i) through (v) below for any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization that owns directly 20% or more, or owns, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote (see instructions).

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Percentage Owned in Voting Stock
MIDDLESEX HEALTH SYSTEM, INC.	22-2676137	CORPORATION	US	100.00

**Part II** **Certain Individuals and Estates Owning the Corporation's Voting Stock.** (Form 1120, Schedule K, Question 4b). Complete columns (i) through (iv) below for any individual or estate that owns directly 20% or more, or owns, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote (see instructions).

(i) Name of Individual or Estate	(ii) Identifying Number (if any)	(iii) Country of Citizenship (see instructions)	(iv) Percentage Owned in Voting Stock

SCHEDULE O  
(Form 1120)

(Rev. December 2012)  
Department of the Treasury  
Internal Revenue Service

Consent Plan and Apportionment Schedule  
for a Controlled Group

▶ Attach to Form 1120, 1120-C, 1120-F, 1120-FSC, 1120-L, 1120-PC, 1120-REIT, or 1120-RIC.  
▶ Information about Schedule O (Form 1120) and its instructions is available at [www.irs.gov/form1120](http://www.irs.gov/form1120).

OMB No. 1545-0123

Name

MHS PRIMARY CARE, INC.

Employer identification number

06-1472743

**Part I** Apportionment Plan Information

1. Type of controlled group:

- a  Parent-subsidiary group
- b  Brother-sister group
- c  Combined group
- d  Life insurance companies only

2. This corporation has been a member of this group:

- a  For the entire year.
- b  From \_\_\_\_\_, until \_\_\_\_\_.

3. This corporation consents and represents to:

- a  Adopt an apportionment plan. All the other members of this group are adopting an apportionment plan effective for the current tax year which ends on \_\_\_\_\_, and for all succeeding tax years.
- b  Amend the current apportionment plan. All the other members of this group are currently amending a previously adopted plan, which was in effect for the tax year ending \_\_\_\_\_, and for all succeeding tax years.
- c  Terminate the current apportionment plan and not adopt a new plan. All the other members of this group are not adopting an apportionment plan.
- d  Terminate the current apportionment plan and adopt a new plan. All the other members of this group are adopting an apportionment plan effective for the current tax year which ends on \_\_\_\_\_, and for all succeeding tax years.

4. If you checked box 3c or 3d above, check the applicable box below to indicate if the termination of the current apportionment plan was:

- a  Elected by the component members of the group.
- b  Required for the component members of the group.

5. If you did not check a box on line 3 above, check the applicable box below concerning the status of the group's apportionment plan (see instructions).

- a  No apportionment plan is in effect and none is being adopted.
- b  An apportionment plan is already in effect. It was adopted for the tax year ending 09/30/2010, and for all succeeding tax years.

6. If all the members of this group are adopting a plan or amending the current plan for a tax year after the due date (including extensions) of the tax return for this corporation, is there at least one year remaining on the statute of limitations from the date this corporation filed its amended return for such tax year for assessing any resulting deficiency?

See instructions.

- a  Yes.
  - (i)  The statute of limitations for this year will expire on \_\_\_\_\_.
  - (ii)  On \_\_\_\_\_, this corporation entered into an agreement with the Internal Revenue Service to extend the statute of limitations for purposes of assessment until \_\_\_\_\_.
- b  No. The members may not adopt or amend an apportionment plan.

7. Required information and elections for component members. Check the applicable box(es) (see instructions).

- a  The corporation will determine its tax liability by applying the maximum tax rate imposed by section 11 to the entire amount of its taxable income.
- b  The corporation and the other members of the group elect the FIFO method (rather than defaulting to the proportionate method) for allocating the additional taxes for the group imposed by section 11(b)(1).
- c  The corporation has a short tax year that does not include December 31.

**Part II Taxable Income Apportionment** (See instructions)

**Caution:** Each total in Part II, column (g) for each component member must equal taxable income from Form 1120, page 1, line 30 or the comparable line of such member's tax return.

	(a) Group member's name and employer identification number	(b) Tax year end (Yr-Mo)	Taxable Income Amount Allocated to Each Bracket				(g) Total (add columns (c) through (f))
			(c) 15%	(d) 25%	(e) 34%	(f) 35%	
1	MIDDLESEX HEALTH RESOURCES, INC. 06-1069925	2013-09	17,653	NONE	NONE	NONE	17,653
2	MIDDLESEX HOSPITAL 06-0646738	2013-09	NONE	NONE	NONE	NONE	NONE
3	MBS PRIMARY CARE, INC. 06-1472743	2013-09	NONE	NONE	NONE	NONE	NONE
4	INTEGRATED RESOURCES FOR THE MIDDLE SEX AREA 06-1462230	2013-09	NONE	NONE	NONE	NONE	NONE
5							
6							
7							
8							
9							
10							
<b>Total</b>			17,653	NONE	NONE	NONE	17,653

Schedule O (Form 1120) (Rev. 12-2012)

**Part III** Income Tax Apportionment (See instructions)

(a) Group member's name	Income Tax Apportionment						(h) Total income tax (combine lines (b) through (g))
	(b) 15%	(c) 25%	(d) 34%	(e) 35%	(f) 5%	(g) 3%	
<b>1</b> MIDDLESEX HEALTH RESOURCES, INC.	2,648.	NONE	NONE	NONE	NONE	NONE	2,648.
<b>2</b> MIDDLESEX HOSPITAL	NONE	NONE	NONE	NONE	NONE	NONE	NONE
<b>3</b> MHS PRIMARY CARE, INC.	NONE	NONE	NONE	NONE	NONE	NONE	NONE
<b>4</b> INTEGRATED RESOURCES FOR THE MIDDLE SEX AREA	NONE	NONE	NONE	NONE	NONE	NONE	NONE
<b>5</b>							
<b>6</b>							
<b>7</b>							
<b>8</b>							
<b>9</b>							
<b>10</b>							
<b>Total</b>	2,648.	NONE	NONE	NONE	NONE	NONE	2,648.

Schedule O (Form 1120) (Rev. 12-2012)

**Part IV Other Apportionments** (See instructions)

(a) Group member's name	Other Apportionments				
	(b) Accumulated earnings credit	(c) AMT exemption amount	(d) Phaseout of AMT exemption amount	(e) Penalty for failure to pay estimated tax	(f) Other
1 MIDDLESEX HEALTH RESOURCES, INC.	NONE	40,000.	NONE	NONE	NONE
2 MIDDLESEX HOSPITAL	NONE	NONE	NONE	NONE	NONE
3 MHS PRIMARY CARE, INC.	NONE	NONE	NONE	NONE	NONE
4 INTEGRATED RESOURCES FOR THE MIDDLE SEX AREA	NONE	NONE	NONE	NONE	NONE
5					
6					
7					
8					
9					
10					
<b>Total</b>	NONE	40,000.	NONE	NONE	NONE

Schedule O (Form 1120) (Rev. 12-2012)

**Alternative Minimum Tax - Corporations**

Department of the Treasury  
Internal Revenue Service

▶ Attach to the corporation's tax return.

**2012**

▶ Information about Form 4626 and its separate instructions is at [www.irs.gov/form4626](http://www.irs.gov/form4626).

Name MHS PRIMARY CARE, INC. Employer identification number 06-1472743

**Note:** See the instructions to find out if the corporation is a small corporation exempt from the alternative minimum tax (AMT) under section 55(e).

<b>1</b>	Taxable income or (loss) before net operating loss deduction	<b>1</b>	-2,735,580.
<b>2</b>	<b>Adjustments and preferences:</b>		
<b>a</b>	Depreciation of post-1986 property	<b>2a</b>	-7,233.
<b>b</b>	Amortization of certified pollution control facilities	<b>2b</b>	
<b>c</b>	Amortization of mining exploration and development costs	<b>2c</b>	
<b>d</b>	Amortization of circulation expenditures (personal holding companies only)	<b>2d</b>	
<b>e</b>	Adjusted gain or loss	<b>2e</b>	
<b>f</b>	Long-term contracts	<b>2f</b>	
<b>g</b>	Merchant marine capital construction funds	<b>2g</b>	
<b>h</b>	Section 833(b) deduction (Blue Cross, Blue Shield, and similar type organizations only)	<b>2h</b>	
<b>i</b>	Tax shelter farm activities (personal service corporations only)	<b>2i</b>	
<b>j</b>	Passive activities (closely held corporations and personal service corporations only)	<b>2j</b>	
<b>k</b>	Loss limitations	<b>2k</b>	
<b>l</b>	Depletion	<b>2l</b>	
<b>m</b>	Tax-exempt interest income from specified private activity bonds	<b>2m</b>	
<b>n</b>	Intangible drilling costs	<b>2n</b>	
<b>o</b>	Other adjustments and preferences	<b>2o</b>	
<b>3</b>	Pre-adjustment alternative minimum taxable income (AMTI). Combine lines 1 through 2o	<b>3</b>	-2,742,813.
<b>4</b>	<b>Adjusted current earnings (ACE) adjustment:</b>		
<b>a</b>	ACE from line 10 of the ACE worksheet in the instructions	<b>4a</b>	-2,743,063.
<b>b</b>	Subtract line 3 from line 4a. If line 3 exceeds line 4a, enter the difference as a negative amount (see instructions)	<b>4b</b>	-250.
<b>c</b>	Multiply line 4b by 75% (.75). Enter the result as a positive amount	<b>4c</b>	188.
<b>d</b>	Enter the excess, if any, of the corporation's total increases in AMTI from prior year ACE adjustments over its total reductions in AMTI from prior year ACE adjustments (see instructions). <b>Note:</b> You must enter an amount on line 4d (even if line 4b is positive).	<b>4d</b>	
<b>e</b>	ACE adjustment. • If line 4b is zero or more, enter the amount from line 4c • If line 4b is less than zero, enter the smaller of line 4c or line 4d as a negative amount	<b>4e</b>	
<b>5</b>	Combine lines 3 and 4e. If zero or less, stop here; the corporation does not owe any AMT.	<b>5</b>	-2,742,813.
<b>6</b>	Alternative tax net operating loss deduction (see instructions) . . . . . SEE STATEMENT 7.	<b>6</b>	
<b>7</b>	<b>Alternative minimum taxable income.</b> Subtract line 6 from line 5. If the corporation held a residual interest in a REMIC, see instructions	<b>7</b>	-2,742,813.
<b>8</b>	<b>Exemption phase-out</b> (if line 7 is \$310,000 or more, skip lines 8a and 8b and enter -0- on line 8c):		
<b>a</b>	Subtract \$150,000 from line 7 (if completing this line for a member of a controlled group, see instructions). If zero or less, enter -0-	<b>8a</b>	NONE
<b>b</b>	Multiply line 8a by 25% (.25)	<b>8b</b>	NONE
<b>c</b>	Exemption. Subtract line 8b from \$40,000 (if completing this line for a member of a controlled group, see instructions). If zero or less, enter -0-	<b>8c</b>	NONE
<b>9</b>	Subtract line 8c from line 7. If zero or less, enter -0-	<b>9</b>	NONE
<b>10</b>	Multiply line 9 by 20% (.20)	<b>10</b>	NONE
<b>11</b>	Alternative minimum tax foreign tax credit (AMTFTC) (see instructions)	<b>11</b>	
<b>12</b>	Tentative minimum tax. Subtract line 11 from line 10.	<b>12</b>	NONE
<b>13</b>	Regular tax liability before applying all credits except the foreign tax credit	<b>13</b>	NONE
<b>14</b>	<b>Alternative minimum tax.</b> Subtract line 13 from line 12. If zero or less, enter -0-. Enter here and on Form 1120, Schedule J, line 3, or the appropriate line of the corporation's income tax return	<b>14</b>	NONE

For Paperwork Reduction Act Notice, see separate instructions.

**Adjusted Current Earnings (ACE) Worksheet**

*Keep for Your Records*

▶ See ACE Worksheet Instructions.

1	Pre-adjustment AMTI. Enter the amount from line 3 of Form 4626		1	-2,742,813.
2	ACE depreciation adjustment			
a	AMT depreciation	2a		144,153.
b	ACE depreciation:			
(1)	Post-1993 property	2b(1)		144,153.
(2)	Post-1989, pre-1994 property	2b(2)		
(3)	Pre-1990 MACRS property	2b(3)		250.
(4)	Pre-1990 original ACRS property	2b(4)		
(5)	Property described in sections 168(f)(1) through (4)	2b(5)		
(6)	Other property	2b(6)		
(7)	Total ACE depreciation. Add lines 2b(1) through 2b(6)	2b(7)		144,403.
c	ACE depreciation adjustment. Subtract line 2b(7) from line 2a		2c	-250.
3	Inclusion in ACE of items included in earnings and profits (E&P):			
a	Tax-exempt interest income	3a		
b	Death benefits from life insurance contracts	3b		
c	All other distributions from life insurance contracts (including surrenders)	3c		
d	Inside buildup of undistributed income in life insurance contracts	3d		
e	Other items (see Regulations sections 1.56(g)-1(c)(6)(iii) through (ix) for a partial list)	3e		
f	Total increase to ACE from inclusion in ACE of items included in E&P. Add lines 3a through 3e		3f	
4	Disallowance of items not deductible from E&P:			
a	Certain dividends received	4a		
b	Dividends paid on certain preferred stock of public utilities that are deductible under section 247	4b		
c	Dividends paid to an ESOP that are deductible under section 404(k)	4c		
d	Nonpatronage dividends that are paid and deductible under section 1382(c)	4d		
e	Other items (see Regulations sections 1.56(g)-1(d)(3)(i) and (ii) for a partial list)	4e		
f	Total increase to ACE because of disallowance of items not deductible from E&P. Add lines 4a through 4e		4f	
5	Other adjustments based on rules for figuring E&P:			
a	Intangible drilling costs	5a		
b	Circulation expenditures	5b		
c	Organizational expenditures	5c		
d	LIFO inventory adjustments	5d		
e	Installment sales	5e		
f	Total other E&P adjustments. Combine lines 5a through 5e		5f	
6	Disallowance of loss on exchange of debt pools		6	
7	Acquisition expenses of life insurance companies for qualified foreign contracts		7	
8	Depletion		8	
9	Basis adjustments in determining gain or loss from sale or exchange of pre-1994 property		9	
10	Adjusted current earnings. Combine lines 1, 2c, 3f, 4f, and 5f through 9. Enter the result here and on line 4a of Form 4626		10	-2,743,063.



# Application for Change in Accounting Method

OMB No. 1545-0152

Name of filer (name of parent corporation if a consolidated group) (see instructions)	Identification number (see instructions)
MHS PRIMARY CARE, INC.	06-1472743
Number, street, and room or suite no. If a P.O. box, see the instructions.	Principal business activity code number (see instructions)
28 CRESCENT STREET	621111
City or town, state, and ZIP code	Tax year of change begins (MM/DD/YYYY) 10/01/2012
MIDDLETOWN, CT 06457	Tax year of change ends (MM/DD/YYYY) 09/30/2013
Name of applicant(s) (if different than filer) and identification number(s) (see instructions)	Name of contact person (see instructions)
	SUSAN M MARTIN
	Contact person's telephone number
	860-358-6889

If the applicant is a member of a consolidated group, check this box

If Form 2848, Power of Attorney and Declaration of Representative, is attached (see instructions for when Form 2848 is required), check this box

<p><b>Check the box to indicate the type of applicant.</b></p> <p><input type="checkbox"/> Individual</p> <p><input checked="" type="checkbox"/> Corporation</p> <p><input type="checkbox"/> Controlled foreign corporation (Sec. 957)</p> <p><input type="checkbox"/> 10/50 corporation (Sec. 904(d)(2)(E))</p> <p><input type="checkbox"/> Qualified personal service corporation (Sec. 448(d)(2))</p> <p><input type="checkbox"/> Exempt organization. Enter Code section ▶</p>	<p><input type="checkbox"/> Cooperative (Sec. 1381)</p> <p><input type="checkbox"/> Partnership</p> <p><input type="checkbox"/> S Corporation</p> <p><input type="checkbox"/> Insurance Co. (Sec. 816(a))</p> <p><input type="checkbox"/> Insurance Co. (Sec. 831)</p> <p><input type="checkbox"/> Other (specify) ▶</p>	<p><b>Check the appropriate box to indicate the type of accounting method change being requested.</b> (see instructions)</p> <p><input type="checkbox"/> Depreciation or Amortization</p> <p><input type="checkbox"/> Financial Products and/or Financial Activities of Financial Institutions</p> <p><input checked="" type="checkbox"/> Other (specify) ▶ ACCRUED VACATION</p>
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**Caution:** To be eligible for approval of the requested change in method of accounting, the taxpayer must provide all information that is relevant to the taxpayer or to the taxpayer's requested change in method of accounting. This includes all information requested on this Form 3115 (including its instructions), as well as any other information that is not specifically requested.

The taxpayer must attach all applicable supplemental statements requested throughout this form.

**Part I Information For Automatic Change Request**


	Yes	No
1 Enter the applicable designated automatic accounting method change number for the requested automatic change. Enter only one designated automatic accounting method change number, except as provided for in guidance published by the IRS. If the requested change has no designated automatic accounting method change number, check "Other," and provide both a description of the change and citation of the IRS guidance providing the automatic change. See instructions. ▶ (a) Change No. <u>28</u> (b) Other <input type="checkbox"/> Description ▶		
2 Do any of the scope limitations described in section 4.02 of Rev. Proc. 2008-52 cause automatic consent to be unavailable for the applicant's requested change? If "Yes," attach an explanation		X

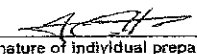
**Note:** Complete Part II below and then Part IV, and also Schedules A through E of this form (if applicable).

**Part II Information For All Requests**

	Yes	No
3 Did or will the applicant cease to engage in the trade or business to which the requested change relates, or terminate its existence, in the tax year of change (see instructions)? If "Yes," the applicant is not eligible to make the change under automatic change request procedures.		X
4a Does the applicant (or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) have any Federal income tax return(s) under examination (see instructions)? If "No," go to line 5.		X
b Is the method of accounting the applicant is requesting to change an issue (with respect to either the applicant or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) either (i) under consideration or (ii) placed in suspense (see instructions)?		

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

Filer  
  
 Signature and date 6-10-14

Preparer (other than filer/applicant)  
  
 Signature of individual preparing the application and date 06/10/2014

Susan Martin, Treasurer  
 Name and title (print or type)

JAMES CUGLIETTO  
 Name of individual preparing the application (print or type)

ERNST & YOUNG U.S. LLP  
 Name of firm preparing the application

**Part III Information For All Requests (continued)**

	Yes	No
4 c Is the method of accounting the applicant is requesting to change an issue pending (with respect to either the applicant or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) for any tax year under examination (see instructions)?		
d Is the request to change the method of accounting being filed under the procedures requiring that the operating division director consent to the filing of the request (see instructions)? If "Yes," attach the consent statement from the director.		
e Is the request to change the method of accounting being filed under the 90-day or 120-day window period? If "Yes," check the box for the applicable window period and attach the required statement (see instructions). <input type="checkbox"/> 90 day <input type="checkbox"/> 120 day: Date examination ended ▶ _____		
f If you answered "Yes" to line 4a, enter the name and telephone number of the examining agent and the tax year(s) under examination. Name ▶ _____ Telephone number ▶ _____ Tax year(s) ▶ _____		
g Has a copy of this Form 3115 been provided to the examining agent identified on line 4f?		
5 a Does the applicant (or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) have any Federal income tax return(s) before Appeals and/or a Federal court? If "Yes," enter the name of the (check the box) <input type="checkbox"/> Appeals officer and/or <input type="checkbox"/> counsel for the government, telephone number, and the tax year(s) before Appeals and/or a Federal court. Name ▶ _____ Telephone number ▶ _____ Tax year(s) ▶ _____		X
b Has a copy of this Form 3115 been provided to the Appeals officer and/or counsel for the government identified on line 5a?		
c Is the method of accounting the applicant is requesting to change an issue under consideration by Appeals and/or a Federal court (for either the applicant or any present or former consolidated group in which the applicant was a member for the tax year(s) the applicant was a member) (see instructions)? If "Yes," attach an explanation.		
6 If the applicant answered "Yes" to line 4a and/or 5a with respect to any present or former consolidated group, attach a statement that provides each parent corporation's (a) name, (b) identification number, (c) address, and (d) tax year(s) during which the applicant was a member that is under examination, before an Appeals office, and/or before a Federal court.		
7 If, for federal income tax purposes, the applicant is either an entity (including a limited liability company) treated as a partnership or an S corporation, is it requesting a change from a method of accounting that is an issue under consideration in an examination, before Appeals, or before a Federal court, with respect to a Federal income tax return of a partner, member, or shareholder of that entity? If "Yes," the applicant is not eligible to make the change.		X
8 a Does the applicable revenue procedure (advance consent or automatic consent) state that the applicant does not receive audit protection for the requested change (see instructions)? b If "Yes," attach an explanation.		X
9 a Has the applicant, its predecessor, or a related party requested or made (under either an automatic change procedure or a procedure requiring advance consent) a change in method of accounting within the past 5 years (including the year of the requested change)? b If "Yes," for each trade or business, attach a description of each requested change in method of accounting (including the tax year of change) and state whether the applicant received consent. c If any application was withdrawn, not perfected, or denied, or if a Consent Agreement granting a change was not signed and returned to the IRS, or the change was not made or not made in the requested year of change, attach an explanation.		X
10 a Does the applicant, its predecessor, or a related party currently have pending any request (including any concurrently filed request) for a private letter ruling, change in method of accounting, or technical advice? b If "Yes," for each request attach a statement providing the name(s) of the taxpayer, identification number(s), the type of request (private letter ruling, change in method of accounting, or technical advice), and the specific issue(s) in the request(s).		X
11 Is the applicant requesting to change its overall method of accounting? If "Yes," check the appropriate boxes below to indicate the applicant's present and proposed methods of accounting. Also, complete Schedule A on page 4 of this form.		X
Present method: <input type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Hybrid (attach description)		
Proposed method: <input type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Hybrid (attach description)		

Part II Information For All Requests (continued)				Yes	No	
12	If the applicant is either (i) not changing its overall method of accounting, or (ii) is changing its overall method of accounting and also changing to a special method of accounting for one or more items, attach a detailed and complete description for each of the following: SEE STATEMENT 8					
a	The item(s) being changed.					
b	The applicant's present method for the item(s) being changed.					
c	The applicant's proposed method for the item(s) being changed.					
d	The applicant's present overall method of accounting (cash, accrual, or hybrid).					
13	Attach a detailed and complete description of the applicant's trade(s) or business(es), and the principal business activity code for each. If the applicant has more than one trade or business as defined in Regulations section 1.446-1(d), describe: whether each trade or business is accounted for separately; the goods and services provided by each trade or business and any other types of activities engaged in that generate gross income; the overall method of accounting for each trade or business; and which trade or business is requesting to change its accounting method as part of this application or a separate application. SEE STATEMENT 8					
14	Will the proposed method of accounting be used for the applicant's books and records and financial statements? For insurance companies, see the instructions . . . . . SEE STATEMENT 8 . . . . . If "No," attach an explanation.				X	
15a	Has the applicant engaged, or will it engage, in a transaction to which section 381(a) applies (e.g., a reorganization, merger, or liquidation) during the proposed tax year of change determined without regard to any potential closing of the year under section 381(b)(1)? . . . . .				X	
b	If "Yes," for the items of income and expense that are the subject of this application, attach a statement identifying the methods of accounting used by the parties to the section 381(a) transaction immediately before the date of distribution or transfer and the method(s) that would be required by section 381(c)(4) or (c)(5) absent consent to the change(s) requested in this application.					
16	Does the applicant request a conference with the IRS National Office if the IRS proposes an adverse response? . . . .				X	
17	If the applicant is changing to either the overall cash method, an overall accrual method, or is changing its method of accounting for any property subject to section 263A, any long-term contract subject to section 460, or inventories subject to section 474, enter the applicant's gross receipts for the 3 tax years preceding the tax year of change.					
	1st preceding year ended: mo.	yr.	2nd preceding year ended: mo.	yr.	3rd preceding year ended: mo.	yr.
	\$		\$		\$	

Part III Information For Advance Consent Request				Yes	No
18	Is the applicant's requested change described in any revenue procedure, revenue ruling, notice, regulation, or other published guidance as an automatic change request? . . . . . If "Yes," attach an explanation describing why the applicant is submitting its request under advance consent request procedures.				X
19	Attach a full explanation of the legal basis supporting the proposed method for the item being changed. Include a detailed and complete description of the facts that explains how the law specifically applies to the applicant's situation and that demonstrates that the applicant is authorized to use the proposed method. Include all authority (statutes, regulations, published rulings, court cases, etc.) supporting the proposed method. Also, include either a discussion of the contrary authorities or a statement that no contrary authority exists.				
20	Attach a copy of all documents related to the proposed change (see instructions).				
21	Attach a statement of the applicant's reasons for the proposed change.				
22	If the applicant is a member of a consolidated group for the year of change, do all other members of the consolidated group use the proposed method of accounting for the item being changed?, . . . . . If "No," attach an explanation.				
23 a	Enter the amount of user fee attached to this application (see instructions). ▶ \$ _____				
b	If the applicant qualifies for a reduced user fee, attach the required information or certification (see instructions).				

Part IV Section 481(a) Adjustment				Yes	No
24	Does the applicable revenue procedure, revenue ruling, notice, regulation, or other published guidance require the applicant to implement the requested change in method of accounting on a cut-off basis rather than a section 481(a) adjustment? . . . . . If "Yes," do not complete lines 25, 26, and 27 below.				X
25	Enter the section 481(a) adjustment. Indicate whether the adjustment is an increase (+) or a decrease (-) in income. ▶ \$ + <u>178,510</u> Attach a summary of the computation and an explanation of the methodology used to determine the section 481(a) adjustment. If it is based on more than one component, show the computation for each component. If more than one applicant is applying for the method change on the same application, attach a list of the name, identification number, principal business activity code (see instructions), and the amount of the section 481(a) adjustment attributable to each applicant. SEE STATEMENT 8				

<b>Part IV Section 481(a) Adjustment (continued)</b>		Yes	No
26	If the section 481(a) adjustment is an increase to income of less than \$25,000, does the applicant elect to take the entire amount of the adjustment into account in the year of change?		X
27	Is any part of the section 481(a) adjustment attributable to transactions between members of an affiliated group, a consolidated group, a controlled group, or other related parties? If "Yes," attach an explanation.		X

**Schedule A - Change in Overall Method of Accounting (If Schedule A applies, Part I below must be completed.)**

**Part I Change in Overall Method (see instructions)**

1 Enter the following amounts as of the close of the tax year preceding the year of change. If none, state "None." Also, attach a statement providing a breakdown of the amounts entered on lines 1a through 1g.

	Amount
a Income accrued but not received (such as accounts receivable)	\$
b Income received or reported before it was earned (such as advanced payments). Attach a description of the income and the legal basis for the proposed method	
c Expenses accrued but not paid (such as accounts payable)	
d Prepaid expenses previously deducted	
e Supplies on hand previously deducted and/or not previously reported	
f Inventory on hand previously deducted and/or not previously reported. Complete Schedule D, Part II	
g Other amounts (specify). Attach a description of the item and the legal basis for its inclusion in the calculation of the section 481(a) adjustment. ▶	
h <b>Net section 481(a) adjustment</b> (Combine lines 1a-1g.) Indicate whether the adjustment is an increase (+) or decrease (-) in income. Also enter the net amount of this section 481(a) adjustment amount on Part IV, line 25.	\$

- 2 Is the applicant also requesting the recurring item exception under section 461(h)(3)?  Yes  No
- 3 Attach copies of the profit and loss statement (Schedule F (Form 1040) for farmers) and the balance sheet, if applicable, as of the close of the tax year preceding the year of change. Also attach a statement specifying the accounting method used when preparing the balance sheet. If books of account are not kept, attach a copy of the business schedules submitted with the Federal income tax return or other return (e.g., tax-exempt organization returns) for that period. If the amounts in Part I, lines 1a through 1g, do not agree with those shown on both the profit and loss statement and the balance sheet, attach a statement explaining the differences.

**Part II Change to the Cash Method For Advance Consent Request (see instructions)**

Applicants requesting a change to the cash method must attach the following information:

- A description of inventory items (items whose production, purchase, or sale is an income-producing factor) and materials and supplies used in carrying out the business.
- An explanation as to whether the applicant is required to use the accrual method under any section of the Code or regulations.

**Schedule B - Change to the Deferral Method for Advance Payments (see instructions)**

- If the applicant is requesting to change to the Deferral Method for advance payments described in section 5.02 of Rev. Proc. 2004-34, 2004-1 C.B. 991, attach the following information:
  - A statement explaining how the advance payments meet the definition in section 4.01 of Rev. Proc. 2004-34.
  - If the applicant is filing under the automatic change procedures of Rev. Proc. 2008-52, the information required by section 8.02(3)(a)-(c) of Rev. Proc. 2004-34.
  - If the applicant is filing under the advance consent provisions of Rev. Proc. 97-27, the information required by section 8.03(2)(a)-(f) of Rev. Proc. 2004-34.
- If the applicant is requesting to change to the deferral method for advance payments described in Regulations section 1.451-5(b)(1)(ii), attach the following.
  - A statement explaining how the advance payments meet the definition in Regulations section 1.451-5(a)(1).
  - A statement explaining what portions of the advance payments, if any, are attributable to services, whether such services are integral to the provisions of goods or items, and whether any portions of the advance payments that are attributable to non-integral services are less than five percent of the total contract prices. See Regulations sections 1.451-5(a)(2)(i) and (3).
  - A statement explaining that the advance payments will be included in income no later than when included in gross receipts for purposes of the applicant's financial reports. See Regulations section 1.451-5(b)(1)(ii).
  - A statement explaining whether the inventoriable goods exception of Regulations section 1.451-5(c) applies and if so, when substantial advance payments will be received under the contracts, and how the exception will limit the deferral of income.

**Schedule C - Changes Within the LIFO Inventory Method (see instructions)****Part I General LIFO Information**

Complete this section if the requested change involves changes within the LIFO inventory method. Also, attach a copy of all **Forms 970, Application To Use LIFO Inventory Method**, filed to adopt or expand the use of the LIFO method.

- 1 Attach a description of the applicant's present and proposed LIFO methods and submethods for each of the following items:
  - a Valuing inventory (e.g., unit method or dollar-value method).
  - b Pooling (e.g., by line or type or class of goods, natural business unit, multiple pools, raw material content, simplified dollar-value method, inventory price index computation (IPIC) pools, vehicle-pool method, etc.).
  - c Pricing dollar-value pools (e.g., double-extension, index, link-chain, link-chain index, IPIC method, etc.).
  - d Determining the current-year cost of goods in the ending inventory (i.e., most recent acquisitions, earliest acquisitions during the current year, average cost of current-year acquisitions, or other permitted method).
- 2 If any present method or submethod used by the applicant is not the same as indicated on Form(s) 970 filed to adopt or expand the use of the method, attach an explanation.
- 3 If the proposed change is not requested for all the LIFO inventory, attach a statement specifying the inventory to which the change is and is not applicable.
- 4 If the proposed change is not requested for all of the LIFO pools, attach a statement specifying the LIFO pool(s) to which the change is applicable.
- 5 Attach a statement addressing whether the applicant values any of its LIFO inventory on a method other than cost. For example, if the applicant values some of its LIFO inventory at retail and the remainder at cost, identify which inventory items are valued under each method.
- 6 If changing to the IPIC method, attach a completed Form 970.

**Part II Change in Pooling Inventories**

- 1 If the applicant is proposing to change its pooling method or the number of pools, attach a description of the contents of, and state the base year for, each dollar-value pool the applicant presently uses and proposes to use.
- 2 If the applicant is proposing to use natural business unit (NBU) pools or requesting to change the number of NBU pools, attach the following information (to the extent not already provided) in sufficient detail to show that each proposed NBU was determined under Regulations section 1.472-8(b)(1) and (2):
  - a A description of the types of products produced by the applicant. If possible, attach a brochure.
  - b A description of the types of processes and raw materials used to produce the products in each proposed pool.
  - c If all of the products to be included in the proposed NBU pool(s) are not produced at one facility, state the reasons for the separate facilities, the location of each facility, and a description of the products each facility produces.
  - d A description of the natural business divisions adopted by the taxpayer. State whether separate cost centers are maintained and if separate profit and loss statements are prepared.
  - e A statement addressing whether the applicant has inventories of items purchased and held for resale that are not further processed by the applicant, including whether such items, if any, will be included in any proposed NBU pool.
  - f A statement addressing whether all items including raw materials, goods-in-process, and finished goods entering into the entire inventory investment for each proposed NBU pool are presently valued under the LIFO method. Describe any items that are not presently valued under the LIFO method that are to be included in each proposed pool.
  - g A statement addressing whether, within the proposed NBU pool(s), there are items both sold to unrelated parties and transferred to a different unit of the applicant to be used as a component part of another product prior to final processing.
- 3 If the applicant is engaged in manufacturing and is proposing to use the multiple pooling method or raw material content pools, attach information to show that each proposed pool will consist of a group of items that are substantially similar. See Regulations section 1.472-8(b)(3).
- 4 If the applicant is engaged in the wholesaling or retailing of goods and is requesting to change the number of pools used, attach information to show that each of the proposed pools is based on customary business classifications of the applicant's trade or business. See Regulations section 1.472-8(c).

Form 3115 (Rev. 12-2009)

Schedule D - Change in the Treatment of Long-Term Contracts Under Section 460, Inventories, or Other Section 263A Assets (see instructions)

Part I Change in Reporting Income From Long-Term Contracts (Also complete Part III on pages 7 and 8.)

- 1 To the extent not already provided, attach a description of the applicant's present and proposed methods for reporting income and expenses from long-term contracts. Also, attach a representative actual contract (without any deletion) for the requested change. If the applicant is a construction contractor, attach a detailed description of its construction activities.
2 a Are the applicant's contracts long-term contracts as defined in section 460(f)(1) (see instructions)?
b If "Yes," do all the contracts qualify for the exception under section 460(e) (see instructions)?
c If line 2b is "Yes," is the applicant requesting to use the percentage-of-completion method using cost-to-cost under Regulations section 1.460-4(b)?
d If line 2c is "No," is the applicant requesting to use the exempt-contract percentage-of-completion method under Regulations section 1.460-4(c)(2)?
3 a Does the applicant have long-term manufacturing contracts as defined in section 460(f)(2)?
b If "Yes," attach an explanation of the applicant's present and proposed method(s) of accounting for long-term manufacturing contracts.
c Attach a description of the applicant's manufacturing activities, including any required installation of manufactured goods.
4 To determine a contract's completion factor using the percentage-of-completion method:
a Will the applicant use the cost-to-cost method in Regulations section 1.460-4(b)?
b If line 4a is "No," is the applicant electing the simplified cost-to-cost method (see section 460(b)(3) and Regulations section 1.460-5(c))?
5 Attach a statement indicating whether any of the applicant's contracts are either cost-plus long-term contracts or Federal long-term contracts.

Part II Change in Valuing Inventories Including Cost Allocation Changes (Also complete Part III on pages 7 and 8.)

- 1 Attach a description of the inventory goods being changed.
2 Attach a description of the inventory goods (if any) NOT being changed.
3 a Is the applicant subject to section 263A? If "No," go to line 4a
b Is the applicant's present inventory valuation method in compliance with section 263A (see instructions)? If "No," attach a detailed explanation

4 a Check the appropriate boxes below.

Identification methods:

- Specific identification
FIFO
LIFO
Other (attach explanation)

Valuation methods:

- Cost
Cost or market, whichever is lower
Retail cost
Retail, lower of cost or market
Other (attach explanation)

Table with 3 columns: Inventory Being Changed (Present method, Proposed method), Inventory Not Being Changed (Present method). Rows correspond to identification and valuation methods.

- b Enter the value at the end of the tax year preceding the year of change
5 If the applicant is changing from the LIFO inventory method to a non-LIFO method, attach the following information (see instructions):
a Copies of Form(s) 970 filed to adopt or expand the use of the method.
b Only for applicants requesting advance consent. A statement describing whether the applicant is changing to the method required by Regulations section 1.472-6(a) or (b), or whether the applicant is proposing a different method.
c Only for applicants requesting an automatic change. The statement required by section 22.01(5) of the Appendix of Rev. Proc. 2008-52 (or its successor).

**Part III Method of Cost Allocation** (Complete this part if the requested change involves either property subject to section 263A or long-term contracts as described in section 460 (see instructions)).

**Section A - Allocation and Capitalization Methods**

Attach a description (including sample computations) of the present and proposed method(s) the applicant uses to capitalize direct and indirect costs properly allocable to real or tangible personal property produced and property acquired for resale, or to allocate and, where appropriate, capitalize direct and indirect costs properly allocable to long-term contracts. Include a description of the method(s) used for allocating indirect costs to intermediate cost objectives such as departments or activities prior to the allocation of such costs to long-term contracts, real or tangible personal property produced, and property acquired for resale. The description must include the following:

- 1 The method of allocating direct and indirect costs (i.e., specific identification, burden rate, standard cost, or other reasonable allocation method).
- 2 The method of allocating mixed service costs (i.e., direct reallocation, step-allocation, simplified service cost using the labor-based allocation ratio, simplified service cost using the production cost allocation ratio, or other reasonable allocation method).
- 3 The method of capitalizing additional section 263A costs (i.e., simplified production with or without the historic absorption ratio election, simplified resale with or without the historic absorption ratio election including permissible variations, the U.S. ratio, or other reasonable allocation method).

**Section B - Direct and Indirect Costs Required To Be Allocated**

Check the appropriate boxes showing the costs that are or will be fully included, to the extent required, in the cost of real or tangible personal property produced or property acquired for resale under section 263A or allocated to long-term contracts under section 460. Mark "N/A" in a box if those costs are not incurred by the applicant. If a box is not checked, it is assumed that those costs are not fully included to the extent required. Attach an explanation for boxes that are not checked.

	Present method	Proposed method
1 Direct material		
2 Direct labor		
3 Indirect labor		
4 Officers' compensation (not including selling activities)		
5 Pension and other related costs		
6 Employee benefits		
7 Indirect materials and supplies		
8 Purchasing costs		
9 Handling, processing, assembly, and repackaging costs		
10 Offsite storage and warehousing costs		
11 Depreciation, amortization, and cost recovery allowance for equipment and facilities placed in service and not temporarily idle		
12 Depletion		
13 Rent		
14 Taxes other than state, local, and foreign income taxes		
15 Insurance		
16 Utilities		
17 Maintenance and repairs that relate to a production, resale, or long-term contract activity		
18 Engineering and design costs (not including section 174 research and experimental expenses)		
19 Rework labor, scrap, and spoilage		
20 Tools and equipment		
21 Quality control and inspection		
22 Bidding expenses incurred in the solicitation of contracts awarded to the applicant		
23 Licensing and franchise costs		
24 Capitalizable service costs (including mixed service costs)		
25 Administrative costs (not including any costs of selling or any return on capital)		
26 Research and experimental expenses attributable to long-term contracts		
27 Interest		
28 Other costs (Attach a list of these costs.)		

**Part III Method of Cost Allocation** (see instructions) (continued)

**Section C - Other Costs Not Required To Be Allocated** (Complete Section C only if the applicant is requesting to change its method for these costs.)

	Present method	Proposed method
1 Marketing, selling, advertising, and distribution expenses		
2 Research and experimental expenses not included in Section B, line 26		
3 Bidding expenses not included in Section B, line 22		
4 General and administrative costs not included in Section B		
5 Income taxes		
6 Cost of strikes		
7 Warranty and product liability costs		
8 Section 179 costs		
9 On-site storage		
10 Depreciation, amortization, and cost recovery allowance not included in Section B, line 11		
11 Other costs (Attach a list of these costs.)		

**Schedule E - Change in Depreciation or Amortization** (see instructions)

Applicants requesting approval to change their method of accounting for depreciation or amortization complete this section. Applicants **must** provide this information for each item or class of property for which a change is requested.

**Note.** See the **List of Automatic Accounting Method Changes** in the instructions for information regarding automatic changes under sections 56, 167, 168, 197, 1400I, 1400L, or former section 168. Do not file Form 3115 with respect to certain late elections and election revocations (see instructions).

- 1 Is depreciation for the property determined under Regulations section 1.167(a)-11 (CLADR)?  Yes  No  
If "Yes," the only changes permitted are under Regulations section 1.167(a)-11(c)(1)(iii).
- 2 Is any of the depreciation or amortization required to be capitalized under any Code section (e.g., section 263A)?  Yes  No  
If "Yes," enter the applicable section ▶ \_\_\_\_\_
- 3 Has a depreciation, amortization, or expense election been made for the property (e.g., the election under sections 168(f)(1), 179, or 179C)?  Yes  No  
If "Yes," state the election made ▶ \_\_\_\_\_
- 4a To the extent not already provided, attach a statement describing the property being changed. Include in the description the type of property, the year the property was placed in service, and the property's use in the applicant's trade or business or income-producing activity.
- b If the property is residential rental property, did the applicant live in the property before renting it?  Yes  No
- c Is the property public utility property?  Yes  No
- 5 To the extent not already provided in the applicant's description of its present method, attach a statement explaining how the property is treated under the applicant's present method (e.g., depreciable property, inventory property, supplies under Regulations section 1.162-3, nondepreciable section 263(a) property, property deductible as a current expense, etc.).
- 6 If the property is not currently treated as depreciable or amortizable property, attach a statement of the facts supporting the proposed change to depreciate or amortize the property.
- 7 If the property is currently treated and/or will be treated as depreciable or amortizable property, provide the following information for both the present (if applicable) and proposed methods:
  - a The Code section under which the property is or will be depreciated or amortized (e.g., section 168(g)).
  - b The applicable asset class from Rev. Proc. 87-56, 1987-2 C.B. 674, for each asset depreciated under section 168 (MACRS) or under section 1400L; the applicable asset class from Rev. Proc. 83-35, 1983-1 C.B. 745, for each asset depreciated under former section 168 (ACRS); an explanation why no asset class is identified for each asset for which an asset class has not been identified by the applicant.
  - c The facts to support the asset class for the proposed method.
  - d The depreciation or amortization method of the property, including the applicable Code section (e.g., 200% declining balance method under section 168(b)(1)).
  - e The useful life, recovery period, or amortization period of the property.
  - f The applicable convention of the property.
  - g A statement of whether or not the additional first-year special depreciation allowance (for example, as provided by section 168(k), 168(l), 168(m), 168(n), 1400L(b), or 1400N(d)) was or will be claimed for the property. If not, also provide an explanation as to why no special depreciation allowance was or will be claimed.



Form **4562**

**Depreciation and Amortization**  
(Including Information on Listed Property)

OMB No. 1545-0172

**2012**

Department of the Treasury  
Internal Revenue Service (99)

▶ See separate instructions.

▶ Attach to your tax return.

Attachment  
Sequence No. **179**

Name(s) shown on return

Identifying number

MHS PRIMARY CARE, INC.

06-1472743

Business or activity to which this form relates

**GENERAL DEPRECIATION AND AMORTIZATION**

**Part I Election To Expense Certain Property Under Section 179**

Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount (see instructions)	1	
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2011 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2013. Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

**Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)**

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

**Part III MACRS Depreciation (Do not include listed property.) (See instructions.)**

**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2012	17	132,578.
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here		

**Section B - Assets Placed in Service During 2012 Tax Year Using the General Depreciation System**

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property		29,403.	7.000	HY	200 DB	4,200.
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
i Nonresidential real property		16,810.	39 yrs.	MM	S/L	142.

**Section C - Assets Placed in Service During 2012 Tax Year Using the Alternative Depreciation System**

20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year			40 yrs.	MM	S/L	

**Part IV Summary (See instructions.)**

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions	22	136,920.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

**Part V Listed Property** (Include automobiles, certain other vehicles, certain computers, and property used for entertainment, recreation, or amusement.)  
**Note:** For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

**Section A - Depreciation and Other Information** (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed?		Yes	No	24b If "Yes," is the evidence written?		Yes	No	
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions)							25	
26 Property used more than 50% in a qualified business use:								
		%						
		%						
		%						
27 Property used 50% or less in a qualified business use:								
		%				S/L -		
		%				S/L -		
		%				S/L -		
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1							28	
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1								29

**Section B - Information on Use of Vehicles**

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
30 Total business/investment miles driven during the year (do not include commuting miles)												
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year. Add lines 30 through 32												
34 Was the vehicle available for personal use during off-duty hours?												
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

**Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees**

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions).

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners.		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions.)		

**Note:** If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

**Part VI Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2012 tax year (see instructions):					
43 Amortization of costs that began before your 2012 tax year				43	13,607.
44 Total. Add amounts in column (f). See the instructions for where to report				44	13,607.

**Sales of Business Property**  
 (Also Involuntary Conversions and Recapture Amounts  
 Under Sections 179 and 280F(b)(2))

OMB No. 1545-0184

**2012**

Department of the Treasury  
 Internal Revenue Service

▶ Attach to your tax return.

▶ Information about Form 4797 and its separate instructions is at [www.irs.gov/form4797](http://www.irs.gov/form4797).

Attachment  
 Sequence No. **27**

Name(s) shown on return **MHS PRIMARY CARE, INC.** Identifying number **06-1472743**

1 Enter the gross proceeds from sales or exchanges reported to you for 2012 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 (see instructions) . . . . . **1**

**Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft - Most Property Held More Than 1 Year** (see instructions)

2	(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) Subtract (f) from the sum of (d) and (e)

3 Gain, if any, from Form 4684, line 39 . . . . . **3**

4 Section 1231 gain from installment sales from Form 6252, line 26 or 37 . . . . . **4**

5 Section 1231 gain or (loss) from like-kind exchanges from Form 8824 . . . . . **5**

6 Gain, if any, from line 32, from other than casualty or theft . . . . . **6**

7 Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows: . . . . . **7**

**Partnerships (except electing large partnerships) and S corporations.** Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below.

**Individuals, partners, S corporation shareholders, and all others.** If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below.

8 Nonrecaptured net section 1231 losses from prior years (see instructions) . . . . . **8**

9 Subtract line 8 from line 7. If zero or less, enter -0-. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return (see instructions) . . . . . **9**

**Part II Ordinary Gains and Losses** (see instructions)

10 Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less):


11 Loss, if any, from line 7 . . . . . **11** (            )

12 Gain, if any, from line 7 or amount from line 8, if applicable . . . . . **12**

13 Gain, if any, from line 31 . . . . . **13** 1,010.

14 Net gain or (loss) from Form 4684, lines 31 and 38a . . . . . **14**

15 Ordinary gain from installment sales from Form 6252, line 25 or 36 . . . . . **15**

16 Ordinary gain or (loss) from like-kind exchanges from Form 8824 . . . . . **16**

17 Combine lines 10 through 16 . . . . . **17** 1,010.

18 For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below:

a If the loss on line 11 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here. Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 28, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 23. Identify as from "Form 4797, line 18a." See instructions . . . . . **18a**

b Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Form 1040, line 14 . . . . . **18b**

For Paperwork Reduction Act Notice, see separate instructions. Form 4797 (2012)

**Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255**  
(see instructions)

19 (a) Description of section 1245, 1250, 1252, 1254, or 1255 property:	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)
A FURNITURE & FIXTURES	03/01/2003	03/31/2013
B		
C		
D		

These columns relate to the properties on lines 19A through 19D. ▶		Property A	Property B	Property C	Property D
20 Gross sales price (Note: See line 1 before completing.)	20	1,010.			
21 Cost or other basis plus expense of sale . . . . .	21	15,474.			
22 Depreciation (or depletion) allowed or allowable . . . . .	22	15,474.			
23 Adjusted basis. Subtract line 22 from line 21 . . . . .	23				
24 Total gain. Subtract line 23 from line 20 . . . . .	24	1,010.			
<b>25 If section 1245 property:</b>					
a Depreciation allowed or allowable from line 22 . . . . .	25a	15,474.			
b Enter the smaller of line 24 or 25a . . . . .	25b	1,010.			
<b>26 If section 1250 property:</b> If straight line depreciation was used, enter -0- on line 26g, except for a corporation subject to section 291.					
a Additional depreciation after 1975 (see instructions). . . . .	26a				
b Applicable percentage multiplied by the smaller of line 24 or line 26a (see instructions). . . . .	26b				
c Subtract line 26a from line 24. If residential rental property or line 24 is not more than line 26a, skip lines 26d and 26e. . . . .	26c				
d Additional depreciation after 1969 and before 1976. . . . .	26d				
e Enter the smaller of line 26c or 26d. . . . .	26e				
f Section 291 amount (corporations only). . . . .	26f				
g Add lines 26b, 26e, and 26f . . . . .	26g				
<b>27 If section 1252 property:</b> Skip this section if you did not dispose of farmland or if this form is being completed for a partnership (other than an electing large partnership).					
a Soil, water, and land clearing expenses . . . . .	27a				
b Line 27a multiplied by applicable percentage (see instructions). . . . .	27b				
c Enter the smaller of line 24 or 27b . . . . .	27c				
<b>28 If section 1254 property:</b>					
a Intangible drilling and development costs, expenditures for development of mines and other natural deposits, mining exploration costs, and depletion (see instructions). . . . .	28a				
b Enter the smaller of line 24 or 28a . . . . .	28b				
<b>29 If section 1255 property:</b>					
a Applicable percentage of payments excluded from income under section 126 (see instructions). . . . .	29a				
b Enter the smaller of line 24 or 29a (see instructions). . . . .	29b				

**Summary of Part III Gains.** Complete property columns A through D through line 29b before going to line 30.

30 Total gains for all properties. Add property columns A through D, line 24 . . . . .	30	1,010.
31 Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13 . . . . .	31	1,010.
32 Subtract line 31 from line 30. Enter the portion from casualty or theft on Form 4684, line 33. Enter the portion from other than casualty or theft on Form 4797, line 6 . . . . .	32	

**Part IV Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less**  
(see instructions)

	(a) Section 179	(b) Section 280F(b)(2)
33 Section 179 expense deduction or depreciation allowable in prior years . . . . .	33	
34 Recomputed depreciation (see instructions) . . . . .	34	
35 Recapture amount. Subtract line 34 from line 33. See the instructions for where to report . . . . .	35	

MRS PRIMARY CARE, INC.

### 2012 Depreciation

Description of Property															
GENERAL DEPRECIATION AND AMORTIZATION															
Asset description	Date placed in service	Unadjusted cost or basis	Bus. %	179 exp. reduc. in basis	Basis Reduction	Basis for depreciation	Beginning Accumulated Depreciation	Ending Accumulated Depreciation	Method	Convention	Life	ACRS class	MA CRS class	Current-yr 179 expense	Current-year depreciation
FURNITURE & FIXTURES	03/01/1997	167,319.	100.			167,319.	167,319.	167,319.	200 DB	HY			7		
FURNITURE & FIXTURES	03/01/1999	101,928.	100.			101,928.	101,928.	101,928.	200 DB	HY			7		
FURNITURE & FIXTURES	03/01/2000	23,259.	100.			23,259.	23,259.	23,259.	200 DB	HY			7		
FURNITURE & FIXTURES	03/01/2001	35,643.	100.			35,643.	35,643.	35,643.	200 DB	HY			7		
FURNITURE & FIXTURES	03/01/2002	37,474.	100.			37,474.	37,473.	37,473.	200 DB	HY			7		
LHI	09/30/1997	11,224.	100.			11,224.	4,932.	5,210.	S/L	MM			39		288.
LHI	04/30/1998	6,782.	100.			6,782.	2,515.	2,685.	S/L	MM			39		174.
LHI	11/30/1998	5,875.	100.			5,875.	2,245.	2,396.	S/L	MM			39		151.
LHI	02/24/1999	9,258.	100.			9,258.	3,230.	3,467.	S/L	MM			39		237.
LHI	03/31/1999	56,091.	100.			56,091.	19,474.	20,912.	S/L	MM			39		1,438.
LHI	04/30/1999	23,637.	100.			23,637.	9,807.	5,913.	S/L	MM			39		606.
LHI	05/24/1999	37,163.	100.			37,163.	12,746.	13,699.	S/L	MM			39		933.
LHI	08/31/1999	10,434.	100.			10,434.	3,517.	3,785.	S/L	MM			39		268.
LHI	09/30/1999	1,900.	100.			1,900.	638.	687.	S/L	MM			39		49.
LHI	10/29/1999	1,166.	100.			1,166.	386.	416.	S/L	MM			39		30.
LHI	11/23/1999	429.	100.			429.	141.	152.	S/L	MM			39		11.
LHI	09/29/2000	5,342.	100.			5,342.	1,650.	1,787.	S/L	MM			39		137.
LHI - CROM	01/30/2002	8,610.	100.			8,610.	2,367.	2,588.	S/L	MM			39		221.
LHI - CROM	02/28/2002	18,831.	100.			18,831.	5,132.	5,615.	S/L	MM			39		483.
LHI - CROM	03/30/2002	27,242.	100.			27,242.	7,359.	8,957.	S/L	MM			39		688.
LHI - OS	01/08/2001	2,597.	100.			2,597.	1,827.	1,894.	S/L	MM			39		67.
LHI - OS	02/14/2001	20,644.	100.			20,644.	6,620.	7,149.	S/L	MM			39		529.
LHI - OS	03/23/2001	32,000.	100.			32,000.	9,444.	16,264.	S/L	MM			39		820.
LHI - OS	04/16/2001	15,500.	100.			15,500.	4,549.	4,946.	S/L	MM			39		397.
LHI - OS	05/30/2001	3,829.	100.			3,829.	1,115.	1,213.	S/L	MM			39		98.
LHI - PORTLAND	04/29/2000	4,908.	100.			4,908.	1,580.	1,716.	S/L	MM			39		126.
LHI - PORTLAND	06/14/2000	2,385.	100.			2,385.	750.	811.	S/L	MM			39		61.
LHI	04/17/2002	16,300.	100.			16,300.	4,372.	4,790.	S/L	MM			39		418.
LHI	05/31/2002	13,600.	100.			13,600.	3,621.	3,970.	S/L	MM			39		349.
LHI	06/24/2002	8,150.	100.			8,150.	2,151.	2,360.	S/L	MM			39		209.
LHI - DUR	03/01/2003	6,300.	100.			6,300.	1,545.	1,707.	S/L	MM			39		162.
LHI - ESSEX	03/01/2003	186.	100.			186.	48.	53.	S/L	MM			39		5.
LHI - OS	11/01/2002	7,000.	100.			7,000.	1,768.	1,847.	S/L	MM			39		179.
LHI - PORTLAND	03/01/2003	921.	100.			921.	229.	253.	S/L	MM			39		24.
LHI - WESTBROOK	07/01/2003	3,466.	100.			3,466.	820.	909.	S/L	MM			39		89.
FURNITURE & FIXTURES	03/01/2004	55,992.	100.			55,992.	55,990.	55,990.	200 DB	HY			5		
Less: Retired Assets															
TOTALS															

\*Assets Retired

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1086EX 3987

06-1472743

MRS PRIMARY CARE, INC.

### 2012 Depreciation

Description of Property															
GENERAL DEPRECIATION AND AMORTIZATION															
Asset description	Date placed in service	Unadjusted cost or basis	Bus. %	178 exp. redus. in basis	Basis Reduction	Basis for depreciation	Beginning Accumulated Depreciation	Ending Accumulated Depreciation	Method	Convention	Life	ACRS class	MA CRS class	Current-yr 179 expense	Current-year depreciation
LHI - DUR	03/01/2004	71,821	100			71,821	15,727	17,568	S/L	MM			39		1,841
LHI - ESSEX	03/01/2004	60,523	100			60,523	13,257	14,809	S/L	MM			39		1,352
LHI - PORTLAND	03/01/2004	1,345	100			1,345	291	325	S/L	MM			39		34
LHI - OS	03/01/2004	118,863	100			118,863	26,035	29,083	S/L	MM			39		3,048
LHI - W BROOK	03/01/2004	2,213	100			2,213	467	544	S/L	MM			39		57
LHI	04/01/2005	8,016	100			8,016	1,536	1,742	S/L	MM			39		206
FURNITURE & FIXTURES	04/01/2005	69,075	100			69,075	69,074	69,074	200 DB	HY			5		
F4F- DURHAM	04/01/2006	6,880	100			6,880	6,880	6,880	200 DB	HY			5		
F4F- CROWWELL	04/01/2006	4,163	100			4,163	4,163	4,163	200 DB	HY			5		
F4F- ESSEX	04/01/2006	16,192	100			16,192	16,191	16,191	200 DB	HY			5		
F4F- CHESTER	04/01/2006	6,167	100			6,167	6,165	6,165	200 DB	HY			5		
F4F- SAYBROOK ROAD	04/01/2006	6,215	100			6,215	6,215	6,215	200 DB	HY			5		
F4F- WESTBROOK	04/01/2006	47,793	100			47,793	47,793	47,793	200 DB	HY			5		
F4F- ADM	04/01/2006	7,384	100			7,384	7,384	7,384	200 DB	HY			5		
F4F- MADISON	04/01/2006	3,048	100			3,048	3,048	3,048	200 DB	HY			5		
LHI- WESTBROOK	04/01/2006	13,900	100			13,900	2,300	2,656	S/L	MM			39		356
COMPUTER- ADM	05/23/2007	3,260	100			3,260	3,260	3,260	200 DB	HY			5		
F4F- ADM	05/24/2007	934	100			934	808	891	200 DB	HY			7		83
COMPUTER- ADM	06/26/2007	1,018	100			1,018	1,018	1,018	200 DB	HY			5		
EQUIPMENT- CROWWELL	01/02/2007	721	100			721	721	721	200 DB	HY			5		
COMPUTER- CROWWELL	02/28/2007	1,496	100			1,496	1,495	1,495	200 DB	HY			5		
EQUIPMENT- CROWWELL	08/08/2007	771	100			771	771	771	200 DB	HY			5		
F4F- DURHAM	03/31/2007	39,685	100			39,685	34,372	37,916	200 DB	HY			7		3,544
COMPUTER- DURHAM	03/31/2007	4,582	100			4,582	4,582	4,582	200 DB	HY			5		
COMPUTER- DURHAM	06/25/2007	1,018	100			1,018	1,018	1,018	200 DB	HY			5		
LHI- DURHAM	09/30/2007	298,871	100			298,871	38,635	45,298	S/L	MM			39		7,683
EQUIPMENT- ESSEX	01/31/2007	795	100			795	795	795	200 DB	HY			5		
F4F- ESSEX	05/31/2007	3,435	100			3,435	2,975	3,282	200 DB	HY			7		307
COMPUTER- LV	04/30/2007	1,614	100			1,614	1,614	1,614	200 DB	HY			5		
COMPUTER- OLD SAYBROOK	11/30/2006	1,574	100			1,574	1,574	1,574	200 DB	HY			5		
EQUIPMENT- SAYBROOK RD	11/30/2006	1,544	100			1,544	1,544	1,544	200 DB	HY			5		
COMPUTER- SAYBROOK RD	07/01/2007	1,182	100			1,182	1,181	1,181	200 DB	HY			5		
F4F- WESTBROOK	04/30/2007	1,270	100			1,270	1,099	1,212	200 DB	HY			7		113
LHI- WESTBROOK	05/31/2007	4,359	100			4,359	602	714	S/L	MM			39		112
COMPUTER- CROWWELL	08/30/2007	1,548	100			1,548	1,547	1,547	200 DB	HY			5		
SIGNS- DURHAM	03/31/2007	3,806	100			3,806	543	641	S/L	MM			39		98
Less: Retired Assets															
TOTALS															

\*Assets Retired

MHS PRIMARY CARE, INC.

### 2012 Depreciation

Description of Property															
GENERAL DEPRECIATION AND AMORTIZATION															
Asset description	Date placed in service	Unadjusted cost or basis	Bus. %	179 exp. reduc. in basis	Basis Reduction	Basis for depreciation	Beginning Accumulated Depreciation	Ending Accumulated Depreciation	Method	Convention	Life	ACRS class	MA CRS class	Current-yr 179 expense	Current-year depreciation
EQUIPMENT- ESSEX	02/28/2007	1,496	100			1,496	1,495	1,495	200 DB	HY			5		
EQUIPMENT- SAYBROK RD	12/31/2006	1,416	100			1,416	1,416	1,416	200 DB	HY			5		
F&F - DURHAM	10/31/2007	2,961	100			2,961	2,300	2,564	200 DB	HY			7		264
F&F - ESSEX	08/01/2009	590	100			590	412	459	200 DB	HY			7		47
F&F - LOWER VALLEY	11/12/2007	810	100			810	629	701	200 DB	HY			7		72
F&F - PORTLAND	11/16/2007	1,933	100			1,933	1,034	1,153	200 DB	HY			7		119
F&F - OLD SAYBROOK	02/19/2008	3,215	100			3,215	2,497	2,784	200 DB	HY			7		287
F&F - WESTBROOK	06/27/2008	848	100			848	659	735	200 DB	HY			7		76
F&F - CBO	03/19/2008	4,346	100			4,346	3,376	3,764	200 DB	HY			7		388
F&F - MADISON	07/17/2009	3,345	100			3,345	2,599	2,897	200 DB	HY			7		298
LHY - DURHAM	10/31/2007	3,022	100			3,022	382	459	S/L	MM			39		77
LHY - PORTLAND	11/16/2007	53,102	100			53,102	6,643	8,003	S/L	MM			39		1,362
LHY - CBO	09/19/2008	7,430	100			7,430	867	1,058	S/L	MM			39		191
WORK STATIONS-CBO	01/31/2009	2,775	100			2,775	1,909	2,157	200 DB	HY			7		216
PHONE SYSTEM-ADM	01/31/2009	9,267	100			9,267	7,665	8,733	200 DB	HY			5		1,068
WORK STATIONS-ADM	01/31/2009	4,977	100			4,977	3,422	3,866	200 DB	HY			7		444
F&F-CROMWELL	07/31/2009	2,584	100			2,584	1,777	2,008	200 DB	HY			7		221
LHY-CROMWELL	10/01/2008	71,120	100			71,120	7,222	9,046	S/L	MM			39		1,824
PHONE SYSTEM-CROMWEL	02/04/2009	8,360	100			8,360	6,915	7,878	200 DB	HY			5		963
SHelf FILING SYSTEM	01/30/2009	2,438	100			2,438	1,676	1,894	200 DB	HY			7		218
REFRIGERATOR-CROMWEL	01/30/2009	468	100			468	322	364	200 DB	HY			7		42
F&F-CROMWELL	02/13/2009	1,892	100			1,892	1,300	1,469	200 DB	HY			7		162
EQUIPMENT-CROMWELL	02/27/2009	20,177	100			20,177	16,690	19,014	200 DB	HY			5		2,324
WORK STATION-CROMWEL	09/22/2009	2,085	100			2,085	1,724	1,964	200 DB	HY			5		240
LHY-CROMWELL	10/01/2008	458,846	100			458,846	46,587	58,392	S/L	MM			39		11,765
ECG-DURHAM	05/31/2009	5,189	100			5,189	4,292	4,890	200 DB	HY			5		598
PHONE SYSTEM-ESSEX	12/16/2008	10,219	100			10,219	8,453	9,630	200 DB	HY			5		1,177
REFRIGERATOR-ESSEX	02/20/2009	493	100			493	339	383	200 DB	HY			7		44
FURNITURE-ESSEX	02/27/2009	9,514	100			9,514	6,542	7,392	200 DB	HY			7		850
FURNITURE-ESSEN	02/27/2009	8,737	100			8,737	6,008	6,788	200 DB	HY			7		780
F&F-ESSEX	04/20/2009	3,175	100			3,175	2,184	2,468	200 DB	HY			7		284
F&F-ESSEX	04/30/2009	953	100			953	655	740	200 DB	HY			7		85
NEW OFFICE-ESSEX	02/23/2009	1,868	100			1,868	752	934	S/L	MM			39		202
F&F-MADISON	10/08/2008	5,391	100			5,391	3,706	4,187	200 DB	HY			7		481
PHONE SYSTEM-MADISON	12/11/2008	9,568	100			9,568	7,915	9,017	200 DB	HY			5		1,102
F&F-MADISON	12/31/2008	30,274	100			30,274	20,816	23,519	200 DB	HY			7		2,703
Less Retired Assets															
TOTALS															

\*Assets Retired

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06-1472743

### 2012 Depreciation

Description of Property															
GENERAL DEPRECIATION AND AMORTIZATION															
Asset description	Date placed in service	Unadjusted cost or basis	Bus. %	179 exp. reduc. in basis	Basis Reduction	Basis for depreciation	Beginning Accumulated Depreciation	Ending Accumulated Depreciation	Method	Convention	Life	ACRS class	MA ORS class	Current-yr 179 expense	Current-year depreciation
F&P-MADISON	02/27/2009	1,463	100.			1,463	1,006	1,137	200 DB	HY			7		131
MEDICAL-MADISON	02/27/2009	1,570	100.			1,570	1,296	1,479	200 DB	HY			5		161
FILE CABINET-MADISON	04/30/2009	1,431	100.			1,431	983	1,111	200 DB	HY			7		128
AUDIOSCOPE-MADISON	05/31/2009	725	100.			725	600	684	200 DB	HY			5		84
F&P-MADISON	10/01/2008	493	100.			493	339	383	200 DB	HY			7		44
LHI-MADISON	10/01/2008	369,616	100.			369,616	37,527	47,064	S/L	MM			39		9,477
DIAGNOSTIC-OLD SAYBR	06/30/2009	1,605	100.			1,605	1,328	1,513	200 DB	HY			5		185
FAX MACHINE-PORTLAND	07/31/2009	509	100.			509	422	481	200 DB	HY			5		59
FILING SYSTEM-SAYBRO	07/01/2009	1,919	100.			1,919	1,587	1,808	200 DB	NY			5		221
LHI - OLD SAYBROOK	01/01/2009	52,494	100.			52,494	4,993	6,339	S/L	MM			39		1,346
F&P - ESSEX 09	10/01/2009	1,378	100.			1,378	731	928	S/L	HY	7.000		7		197
SOFT- MIDDLETWN 09	10/01/2009	2,247	100.			2,247	2,247	2,247	S/L	HY	5.000		3		
EQUIP - MIDDLETWN 09	10/01/2009	3,551	100.			3,551	2,556	3,266	S/L	HY	5.000		5		710
EQUIP - MADISON 09	10/01/2009	504	100.			504	363	464	S/L	HY	5.000		5		103
F&P - WESTBROOK 09	10/01/2009	574	100.			574	305	387	S/L	HY	7.000		7		82
EQUIP - OL SAYBRK 09	10/01/2009	530	100.			530	396	506	S/L	HY	5.000		5		110
F&P - OL SAYBRK 09	10/01/2009	1,636	100.			1,636	869	1,103	S/L	HY	7.000		7		234
F&P - DURHAM 09	10/01/2009	4,328	100.			4,328	2,296	2,814	S/L	HY	7.000		7		618
F&P - CHESTER 09	10/01/2009	815	100.			815	432	548	S/L	HY	7.000		7		116
EQUIP - CROMWELL 09	10/01/2009	7,903	100.			7,903	5,691	7,272	S/L	HY	5.000		5		1,581
F&P - CROMWELL 09	10/01/2009	419	100.			419	223	283	S/L	HY	7.000		7		60
EQUIP - PORTLAND 09	10/01/2009	10,178	100.			10,178	7,329	9,355	S/L	HY	5.000		5		2,036
F&P - PORTLAND 09	10/01/2009	51,860	100.			51,860	27,523	34,929	S/L	HY	7.000		7		7,406
LHI - PORTLD MAY 09	05/01/2010	319,500	100.			319,500	19,461	27,653	S/L	MM	39.000		39		8,192
LHI - PORTLD JUNE 09	06/01/2010	23,478	100.			23,478	1,380	1,982	S/L	MM	39.000		39		602
F&P - ADMIN 11	05/01/2011	709	100.			709	262	303	S/L	HY	7.000		7		101
F&P MIDDLETOWN 10	11/01/2010	2,288	100.			2,288	654	981	S/L	HY	7.000		7		327
F&P MIDDLETOWN 11	06/01/2011	556	100.			556	158	237	S/L	HY	7.000		7		79
F&P MADISON 11	01/01/2011	584	100.			584	166	249	S/L	HY	7.000		7		83
F&P MADISON 11	09/01/2011	1,035	100.			1,035	296	444	S/L	HY	7.000		7		148
F&P CRIMWELL 11	07/01/2011	627	100.			627	180	270	S/L	HY	7.000		7		90
F&P CROWELL 11	09/01/2011	846	100.			846	242	363	S/L	HY	7.000		7		121
F&P PORTLAND 10	11/01/2010	1,525	100.			1,525	436	654	S/L	HY	7.000		7		216
F&P PORTLAND 11	01/01/2011	2,544	100.			2,544	728	1,092	S/L	HY	7.000		7		364
F&P PORTLAND 11	05/01/2011	1,435	100.			1,435	410	615	S/L	HY	7.000		7		205
F&P PORTLAND 11	06/01/2011	724	100.			724	206	308	S/L	HY	7.000		7		103
Less: Retired Assets															
TOTALS															

\*Assets Retired



MIS PRIMARY CARE, INC.

### 2012 Depreciation

Description of Property															
GENERAL DEPRECIATION AND AMORTIZATION															
Asset description	Date placed in service	Unadjusted cost or basis	Bus. %	179 exp. reduc. in basis	Basis Reduction	Basis for depreciation	Beginning Accumulated Depreciation	Ending Accumulated Depreciation	Method	Convention	Life	ACRS class	MA CRS class	Current -yr 179 expense	Current-year depreciation
F&F OLD SAYBR 11	04/01/2011	62,103.	100.			62,103.	17,750.	26,625.	S/L	HY	7.000				8,875.
F&F OLD SAYBR 11	05/01/2011	359.	100.			359.	102.	153.	S/L	HY	7.000				51.
F&F OLD SAYBR 11	09/01/2011	728.	100.			728.	205.	312.	S/L	HY	7.000				104.
F&F CHESTER 11	11/01/2010	511.	100.			511.	146.	239.	S/L	HY	7.000				73.
F&F WESTBROOK 10	12/01/2010	636.	100.			636.	182.	273.	S/L	HY	7.000				91.
LEI OCT 09	10/01/2009	835,200.	100.			835,200.	63,353.	84,768.	S/L	NM	39.000		39		21,415.
FURNITURE & FIXTURES	03/01/1999	60,178.	100.			60,178.	60,178.	60,178.	200 DB	HY					
EQUIP- ESSEX 12	04/01/2012	598.	100.			598.	15.	135.	S/L	MQ	5.000				120.
EQUIP- ESSEX 12	05/01/2012	637.	100.			637.	16.	143.	S/L	MQ	5.000				127.
EQUIP- ESSEX 12	09/01/2012	1,110.	100.			1,110.	29.	250.	S/L	MQ	5.000				222.
EQUIP MADISON 12	04/01/2012	1,924.	100.			1,924.	48.	433.	S/L	MQ	5.000				385.
EQUIP MADISON 12	04/01/2012	507.	100.			507.	13.	114.	S/L	MQ	5.000				101.
EQUIP MADISON 12	09/01/2012	1,930.	100.			1,930.	48.	434.	S/L	MQ	5.000				386.
F & F CROWELL	07/01/2012	1,049.	100.			1,049.	15.	167.	S/L	MQ	7.000				150.
EQUIP CROWELL	07/01/2012	2,659.	100.			2,659.	66.	598.	S/L	MQ	5.000				532.
F & F CROWELL 12	08/01/2012	1,829.	100.			1,829.	53.	294.	S/L	MQ	7.000				261.
F & F PORTLAND 11	12/01/2011	975.	100.			975.	17.	156.	S/L	MQ	7.000				139.
EQUIP PORTLAND 12	09/01/2012	912.	100.			912.	23.	205.	S/L	MQ	5.000				182.
EQUIP OLD SAYBROOK 1	01/01/2012	2,308.	100.			2,308.	58.	520.	S/L	MQ	5.000				462.
F&F OLD SAYBROOK	01/01/2012	606.	100.			606.	54.	141.	S/L	MQ	7.000				87.
F&F DURHAM 12	05/01/2012	670.	100.			670.	12.	108.	S/L	MQ	7.000				96.
EQUIP DURHAM 12	07/01/2012	3,615.	100.			3,615.	90.	813.	S/L	MQ	5.000				723.
EQUIP DURHAM 12	07/01/2012	2,175.	100.			2,175.	54.	469.	S/L	MQ	5.000				435.
EQUIP DURHAM 12	08/01/2012	743.	100.			743.	19.	168.	S/L	MQ	5.000				149.
EQUIP DURHAM 12	09/01/2012	913.	100.			913.	23.	206.	S/L	MQ	5.000				183.
LHI PORTLAND	12/01/2011	2,845.	100.			2,845.	58.	131.	S/L	NM	39.000		39		73.
LHI MADISON	08/01/2012	1,886.	100.			1,886.	6.	54.	S/L	NM	39.000		39		48.
EQUIP CROWELL	09/01/2012	1,293.	100.			1,293.	32.	291.	S/L	MQ	5.000				259.
EQUIP OLD SAYBROOK	12/01/2011	3,349.	100.			3,349.	84.	754.	S/L	MQ	5.000				670.
EQUIP CHESTER 12	01/01/2012	3,895.	100.			3,895.	97.	876.	S/L	MQ	5.000				773.
F & F CHESTER 12	05/01/2012	638.	100.			638.	11.	102.	S/L	MQ	7.000				91.
F & F CHESTER 12	07/01/2012	1,276.	100.			1,276.	32.	287.	S/L	MQ	5.000				255.
F&F WESTBROOK 12	10/01/2012	1,221.	100.			1,221.		174.	200 DB	HY				174.	
F&F CHESTER 12	11/01/2012	2,227.	100.			2,227.		318.	200 DB	HY				318.	
F&F PORTLAND 12	11/01/2012	3,916.	100.			3,916.		560.	200 DB	HY				560.	
F&F ESSEX 12		1,749.	100.			1,749.			200 DB	HY					
Less: Retired Assets															
TOTALS															

\*Assets Retired

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MHS PRIMARY CARE, INC.

### 2012 Depreciation

Description of Property															
GENERAL DEPRECIATION AND AMORTIZATION															
Asset description	Date placed in service	Unadjusted cost or basis	Bus. %	179 exp. reduc. in basis	Basis Reduction	Basis for depreciation	Beginning Accumulated Depreciation	Ending Accumulated Depreciation	Method	Convention	Life	ACRS class	MA CRS class	Current-yr 179 expense	Current-year depreciation
F&F MADISON 12	11/01/2013	1,370.	100.			1,370.			200 DB	HY			7		
F&F MIDDLETOWN 12	11/01/2012	941.	100.			941.		134.	200 DB	HY			7		134.
F&F OLD SAYBROOK 12	12/01/2012	3,724.	100.			3,724.		532.	200 DB	HY			7		532.
F&F MIDDLETOWN 12	12/01/2012	778.	100.			778.		111.	200 DB	HY			7		111.
F&F WESTBROOK 13	01/01/2013	3,155.	100.			3,155.		451.	200 DB	HY			7		451.
F&F OLD SAYBROOK	02/01/2013	4,027.	100.			4,027.		575.	200 DB	HY			7		575.
F&F DURHAM 13	04/01/2013	1,383.	100.			1,383.		198.	200 DB	HY			7		198.
F&F CORMWELL 13	04/01/2013	2,659.	100.			2,659.		380.	200 DB	HY			7		380.
F&F WESTBROOK 13	04/01/2013	1,400.	100.			1,400.		200.	200 DB	HY			7		200.
F&F ESSEX 13	06/01/2013	1,400.	100.			1,400.		200.	200 DB	HY			7		200.
F&F PORTLAND 13	06/01/2013	1,010.	100.			1,010.		144.	200 DB	HY			7		144.
F&F ESSEX 13	08/01/2013	645.	100.			645.		92.	200 DB	HY			7		92.
F&F MIDDLETOWN 13	07/01/2013	917.	100.			917.		131.	200 DB	HY			7		131.
LHI ESSEX 13	02/12/2013	3,875.	100.			3,875.		62.	S/L	MM			39		62.
LHI DURHAM 13	05/01/2013	2,985.	100.			2,985.		29.	S/L	MM			39		29.
LHI MADISON 13	06/01/2013	2,650.	100.			2,650.		20.	S/L	MM			39		20.
LHI PORTLAND 13	07/01/2013	3,575.	100.			3,575.		19.	S/L	MM			39		19.
LHI CHESTER 13	08/01/2013	3,725.	100.			3,725.		12.	S/L	MM			39		12.
FURNITURE & FIXTURES	03/01/2003	15,474.	100.			15,474.	15,474.	15,474.	200 DB	HY			5		
FURNITURE & FIXTURES	03/01/2003	38,673.	100.			38,673.	38,673.	38,673.	200 DB	HY			5		
Less: Retired Assets		-15,474.				-15,474.	-15,474.	-15,474.							
<b>TOTALS</b>		<b>4,322,373.</b>				<b>4,322,373.</b>	<b>1,334,679.</b>	<b>1,491,599.</b>							<b>136,920.</b>

\*Assets Retired

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### 2012 Alternative Minimum Tax Depreciation

Description of Property												
GENERAL DEPRECIATION AND AMORTIZATION												
Asset description	Date Placed in Service	AMT basis for depreciation	AMT accumulated depreciation	AMT method	AMT convention	AMT life	AMT depreciation deduction	Regular depreciation deduction	Post-86 depreciation adjustment	Leased pers. prop. preference	Real property preference	
FURNITURE & FIXTURES	03/01/1997	167,319.	80,432.	150 DB	HY	10.000						
FURNITURE & FIXTURES	03/01/1998	192,926.	57,908.	150 DB	HY	10.000						
FURNITURE & FIXTURES	03/01/2000	23,259.	16,318.	150 DB	HY	7.000						
FURNITURE & FIXTURES	03/01/2001	35,643.	31,825.	150 DB	HY	7.000						
FURNITURE & FIXTURES	03/01/2002	37,474.	37,474.	150 DB	HY	7.000						
LMT	09/30/1997	11,224.	3,091.	SL	MM	40.000	281.	288.	7.			
LMT	04/30/1998	6,782.	1,870.	SL	MM	40.000	170.	174.	4.			
LMT	11/30/1998	5,875.	1,617.	SL	MM	40.000	147.	151.	4.			
LMT	02/24/1999	9,258.	2,607.	SL	MM	39.000	237.	237.				
LMT	03/31/1999	56,091.	15,818.	SL	MM	39.000	1,438.	1,438.				
LMT	04/30/1999	23,637.	6,666.	SL	MM	39.000	606.	606.				
LMT	05/24/1999	37,163.	10,483.	SL	MM	39.000	955.	955.				
LMT	08/31/1999	10,434.	2,948.	SL	MM	39.000	268.	268.				
LMT	09/30/1999	1,900.	539.	SL	MM	39.000	49.	49.				
LMT	10/29/1999	1,166.	330.	SL	MM	39.000	30.	30.				
LMT	11/23/1999	425.	121.	SL	MM	39.000	11.	11.				
LMT	09/29/2000	5,342.	1,507.	SL	MM	39.000	137.	137.				
LMT - CROM	01/30/2002	8,610.	2,367.	SL	MM	39.000	221.	231.				
LMT - CROM	02/28/2002	18,831.	5,132.	SL	MM	39.000	483.	483.				
LMT - CROM	03/30/2002	27,242.	7,359.	SL	MM	39.000	698.	698.				
LMT - OS	01/09/2001	2,597.	737.	SL	MM	39.000	67.	67.				
LMT - OS	02/14/2001	20,544.	5,819.	SL	MM	39.000	529.	529.				
LMT - OS	03/23/2001	32,000.	9,028.	SL	MM	39.000	820.	820.				
LMT - OS	04/16/2001	15,500.	4,367.	SL	MM	39.000	397.	397.				
LMT - OS	05/30/2001	3,829.	1,078.	SL	MM	39.000	99.	99.				
LMT - PORTLAND	04/28/2000	4,908.	1,385.	SL	MM	39.000	126.	126.				
LMT - PORTLAND	06/14/2000	2,385.	671.	SL	MM	39.000	61.	61.				
LMT	04/17/2002	16,300.	4,372.	SL	MM	39.000	418.	418.				
LMT	05/31/2002	13,600.	3,621.	SL	MM	39.000	349.	349.				
LMT	06/24/2002	8,150.	2,151.	SL	MM	39.000	209.	209.				
LMT - DUR	03/01/2003	6,300.	1,545.	SL	MM	39.000	162.	162.				
LMT - ESSEX	03/01/2003	186.	48.	SL	MM	39.000	5.	5.				
LMT - OS	13/01/2002	7,000.	1,768.	SL	MM	39.000	179.	179.				
LMT - PORTLAND	03/03/2003	921.	229.	SL	MM	39.000	24.	24.				
LMT - WESTBROOK	07/01/2003	3,468.	820.	SL	MM	39.000	89.	89.				
FURNITURE & FIXTURES	03/01/2004	55,252.	55,252.	150 DB	HY	5.000						
LMT - DUR	03/01/2004	71,821.	15,727.	SL	MM	39.000	1,841.	1,841.				
Less: Retired Assets												
<b>TOTALS</b>												

### 2012 Alternative Minimum Tax Depreciation

Description of Property												
GENERAL DEPRECIATION AND AMORTIZATION												
Asset description	Date Placed in Service	AMT basis for depreciation	AMT accumulated depreciation	AMT method	AMT convention	AMT life	AMT depreciation deduction	Regular depreciation deduction	Post-86 depreciation adjustment	Leased pers. prop. preference	Real property preference	
LHI - ESSEX	03/01/2004	60,523.	13,257.	SL	MM	39.000	1,552.	1,552.				
LHI - PORTLAND	03/01/2004	1,315.	293.	SL	MM	39.000	24.	24.				
LHI - OS	03/01/2004	118,853.	26,035.	SL	MM	39.000	3,048.	3,048.				
LHI - WABROOK	03/01/2004	2,213.	487.	SL	MM	39.000	57.	57.				
LHI	04/01/2005	8,016.	1,536.	SL	MM	39.000	206.	206.				
FURNITURE & FIXTURES	04/01/2005	69,075.	69,075.	150 DB	HY	5.000						
F&F- DURHAM	04/01/2006	6,888.	6,879.	150 DB	HY	5.000						
F&F- CROWWELL	04/01/2006	4,163.	4,163.	150 DB	HY	5.000						
F&F- ESSEX	04/01/2006	16,192.	16,192.	150 DB	HY	5.000						
F&F- CHESTER	04/01/2006	6,167.	6,167.	150 DB	HY	5.000						
F&F- SAYBROOK ROAD	04/01/2006	6,215.	6,214.	150 DB	HY	5.000						
F&F- WESTBROOK	04/01/2006	47,793.	47,792.	150 DB	HY	5.000						
F&F- ADM	04/01/2006	7,384.	7,384.	150 DB	HY	5.000						
F&F- MADISON	04/01/2006	3,048.	3,048.	150 DB	HY	5.000						
LHI- WESTBROOK	04/01/2006	13,900.	2,300.	SL	MM	39.000	356.	356.				
COMPUTER- ADM	05/22/2007	3,260.	3,260.	150 DB	HY	5.000						
F&F- ADM	05/24/2007	934.	761.	150 DB	HY	7.000	114.	83.	-31.			
COMPUTER- ADM	06/26/2007	1,018.	1,018.	150 DB	HY	5.000						
EQUIPMENT- CROWWELL	01/02/2007	721.	721.	150 DB	HY	5.000						
COMPUTER- CROWWELL	02/28/2007	1,495.	1,495.	150 DB	HY	5.000						
EQUIPMENT- CROWWELL	08/08/2007	771.	771.	150 DB	HY	5.000						
F&F- DURHAM	03/31/2007	39,685.	32,390.	150 DB	HY	7.000	4,861.	3,544.	-1,317.			
COMPUTER- DURHAM	03/31/2007	4,582.	4,581.	150 DB	HY	5.000						
COMPUTER- DURHAM	06/25/2007	1,018.	1,018.	150 DB	HY	5.000						
LHI- DURHAM	09/30/2007	298,873.	38,635.	SL	MM	39.000	7,663.	7,663.				
EQUIPMENT- ESSEX	05/31/2007	785.	784.	150 DB	HY	5.000						
F&F- ESSEX	05/31/2007	3,435.	2,804.	150 DB	HY	7.000	421.	307.	-114.			
COMPUTER- LV	04/30/2007	1,614.	1,614.	150 DB	HY	5.000						
COMPUTER- OLD SAYBRK	11/30/2006	1,574.	1,573.	150 DB	HY	5.000						
EQUIPMENT- SAYBRK RD	11/30/2006	1,544.	1,544.	150 DB	HY	5.000						
COMPUTER- SAYBRK RD	01/01/2007	1,182.	1,181.	150 DB	HY	5.000						
F&F- WESTBROOK	04/30/2007	1,270.	1,038.	150 DB	HY	7.000	156.	113.	-43.			
LHI- WESTBROOK	05/31/2007	4,359.	602.	SL	MM	39.000	112.	112.				
COMPUTER- CROWWELL	08/30/2007	1,548.	1,548.	150 DB	HY	5.000						
SIGNS- DURHAM	03/31/2007	3,806.	543.	SL	MM	39.000	98.	98.				
EQUIPMENT- ESSEX	02/28/2007	1,495.	1,495.	150 DB	HY	5.000						
EQUIPMENT- SAYBRK RD	12/31/2006	1,416.	1,416.	150 DB	HY	5.000						
Less Retired Assets												
<b>TOTALS</b>												

MKS PRIMARY CARE, INC.

### 2012 Alternative Minimum Tax Depreciation

Description of Property											
GENERAL DEPRECIATION AND AMORTIZATION											
Asset description	Date Placed in Service	AMT basis for depreciation	AMT accumulated depreciation	AMT method	AMT convention	AMT life	AMT depreciation deduction	Regular depreciation deduction	Post-86 depreciation adjustment	Leased pers. prop. preference	Real property preference
F&F - DURHAM	10/31/2007	2,261.	2,054.	150 DB	HY	7.000	363.	264.	-99.		
F&F - ESSEX	08/01/2008	530.	368.	150 DB	HY	7.000	65.	47.	-18.		
F&F - LOWER VALLEY	11/12/2007	610.	562.	150 DB	HY	7.000	99.	72.	-27.		
F&F - PORTLAND	11/16/2007	1,333.	924.	150 DB	HY	7.000	163.	119.	-44.		
F&F - OLD SAYBROOK	02/15/2008	3,215.	2,230.	150 DB	HY	7.000	394.	287.	-107.		
F&F - WESTBROOK	06/27/2008	948.	586.	150 DB	HY	7.000	104.	76.	-28.		
F&F - CBO	03/19/2008	4,346.	3,013.	150 DB	HY	7.000	532.	386.	-144.		
F&F - MADISON	07/17/2008	2,345.	2,321.	150 DB	HY	7.000	410.	298.	-112.		
LI-I - DURHAM	10/31/2007	3,022.	362.	SL	MAC	39.000	77.	77.			
LI-I - PORTLAND	11/16/2007	53,162.	6,541.	SL	MAC	39.000	1,362.	7,362.			
LI-I - CBO	03/19/2008	7,430.	867.	SL	MAC	39.000	191.	391.			
WORK STATIONS-CBO	01/31/2009	2,775.	1,585.	150 DB	HY	7.000	340.	248.	-92.		
PHONE SYSTEM-ADM	01/31/2009	9,267.	6,951.	150 DB	HY	5.000	1,544.	1,066.	-476.		
WORK STATIONS-ADM	01/31/2009	4,977.	2,843.	150 DB	HY	7.000	610.	444.	-166.		
F&F-CROMWELL	01/31/2009	2,584.	1,476.	150 DB	HY	7.000	317.	231.	-86.		
LI-I-CROMWELL	10/01/2008	71,120.	7,222.	SL	MAC	39.000	1,824.	1,824.			
PHONE SYSTEM-CROMWELL	02/04/2009	8,360.	6,271.	150 DB	HY	5.000	1,383.	963.	-430.		
SHELF FILTING SYSTEM	01/30/2009	2,438.	1,392.	150 DB	HY	7.000	296.	218.	-81.		
REFRIGERATOR-CROMWELL	01/30/2009	468.	267.	150 DB	HY	7.000	57.	42.	-15.		
F&F-CROMWELL	02/13/2009	1,892.	1,081.	150 DB	HY	7.000	232.	169.	-63.		
EQUIPMENT-CROMWELL	02/27/2009	20,177.	15,135.	150 DB	HY	5.000	3,361.	2,324.	-1,037.		
WORK STATION-CROMWELL	09/22/2009	2,085.	1,564.	150 DB	HY	5.000	347.	240.	-107.		
LI-I-CROMWELL	10/01/2008	458,846.	46,587.	SL	MAC	39.000	12,765.	11,765.			
ECG-DURHAM	05/31/2009	3,189.	3,891.	150 DB	HY	5.000	84.	596.	-266.		
PHONE SYSTEM-ESSEX	12/16/2008	10,219.	7,665.	150 DB	HY	5.000	1,702.	1,177.	-525.		
REFRIGERATOR-ESSEX	02/20/2009	453.	261.	150 DB	HY	7.000	60.	44.	-16.		
FURNITURE-ESSEX	02/27/2009	9,514.	5,134.	150 DB	HY	7.000	1,165.	850.	-315.		
FURNITURE-ESSEX	02/27/2009	9,737.	4,990.	150 DB	HY	7.000	1,070.	780.	-290.		
F&F-ESSEX	04/29/2009	3,175.	1,813.	150 DB	HY	7.000	389.	284.	-105.		
F&F-ESSEX	04/30/2009	953.	544.	150 DB	HY	7.000	117.	85.	-32.		
NEW OFFICE-ESSEX	02/23/2008	7,868.	732.	SL	MAC	39.000	202.	202.			
F&F-MADISON	10/08/2008	5,391.	3,078.	150 DB	HY	7.000	669.	481.	-179.		
PHONE SYSTEM-MADISON	12/11/2008	9,568.	7,377.	150 DB	HY	5.000	1,584.	1,102.	-492.		
F&F-MADISON	12/31/2008	30,274.	17,292.	150 DB	HY	7.000	3,709.	2,703.	-1,005.		
F&F-MADISON	02/27/2009	1,463.	836.	150 DB	HY	7.000	179.	131.	-48.		
MEDICAL-MADISON	02/27/2009	1,570.	1,178.	150 DB	HY	5.000	262.	181.	-81.		
FILE CABINET-MADISON	04/30/2009	1,431.	817.	150 DB	HY	7.000	175.	128.	-47.		
Less: Retired Assets											
<b>TOTALS</b>											

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\* Assets Retired

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MBS PRIMARY CARE, INC.

### 2012 Alternative Minimum Tax Depreciation

Description of Property											
GENERAL DEPRECIATION AND AMORTIZATION											
Asset description	Date Placed in Service	AMT basis for depreciation	AMT accumulated depreciation	AMT method	AMT convention	AMT life	AMT depreciation deduction	Regular depreciation deduction	Post-86 depreciation adjustment	Leased pers. prop. preference	Real property preference
AUDIOSCOPE-MADISON	05/31/2009	725.	544.	150 DB	HY	5.000	121.	84.	-37.		
F&F-MADISON	10/01/2008	493.	281.	150 DB	HY	7.000	60.	44.	-16.		
LHI-MADISON	10/01/2008	359,616.	37,527.	SL	MM	39.000	9,477.	9,477.			
DIAGNOSTIC-OLD SAYBR	06/30/2009	1,605.	1,203.	150 DB	HY	5.000	267.	185.	-82.		
FLX MACHINE-PORTLAND	07/31/2009	509.	382.	150 DB	HY	5.000	85.	59.	-26.		
FILING SYSTEM-SAYBRO	07/01/2009	1,819.	1,440.	150 DB	HY	5.000	320.	221.	-99.		
LHI - OLD SAYBROOK	01/01/2009	52,494.	4,993.	SL	MM	39.000	1,346.	1,346.			
F&F - ESSEX 09	10/01/2009	1,378.	731.	SL	HY	7.000	127.	197.			
SOFT- MIDDLETWN 09	10/01/2009	2,247.	2,247.		HY	3.000					
EQUIP - MIDDLETWN 09	10/03/2009	3,551.	2,556.	SL	HY	5.000	710.	710.			
EQUIP - MADISON 09	10/01/2009	504.	363.	SL	HY	5.000	101.	101.			
F&F - WESTBROOK 09	10/01/2009	574.	305.	SL	HY	7.000	82.	82.			
EQUIP - OL SAYBRK 09	10/03/2009	550.	395.	SL	HY	5.000	110.	110.			
F&F - OL SAYBRK 09	10/01/2009	1,635.	869.	SL	HY	7.000	234.	234.			
F&F - DURHAM 09	10/01/2009	4,328.	2,295.	SL	HY	7.000	618.	618.			
F&F - CHESTER 09	10/01/2009	825.	432.	SL	HY	7.000	116.	116.			
EQUIP - CROMWELL 09	10/01/2009	7,903.	5,691.	SL	HY	5.000	1,581.	1,581.			
F&F - CROMWELL 09	10/01/2009	419.	223.	SL	HY	7.000	60.	60.			
EQUIP - PORTLAND 09	10/01/2009	10,178.	7,329.	SL	HY	5.000	2,036.	2,036.			
F&F - PORTLAND 09	10/01/2009	51,860.	27,523.	SL	HY	7.000	7,408.	7,408.			
LHI - PORTLD MAY 09	05/01/2010	319,590.	19,462.	SL	MM	39.000	8,192.	8,192.			
LHI - PORTLD JUNE 09	06/01/2010	23,478.	1,380.	SL	MM	39.000	602.	602.			
F&F ALMIN 11	06/01/2011	709.	202.	SL	HY	7.000	101.	101.			
F&F MIDDLETOWN 10	11/01/2010	2,288.	654.	SL	HY	7.000	327.	327.			
F&F MIDDLETOWN 11	06/01/2011	556.	158.	SL	HY	7.000	79.	79.			
F&F MADISON 11	01/01/2011	584.	166.	SL	HY	7.000	83.	83.			
F&F MADISON 11	09/01/2011	1,035.	296.	SL	HY	7.000	148.	148.			
F&F CRIMWELL 11	07/01/2011	627.	180.	SL	HY	7.000	90.	90.			
F&F CROWELL 11	09/01/2011	846.	242.	SL	HY	7.000	121.	121.			
F&F PORTLAND 10	11/01/2010	1,525.	436.	SL	HY	7.000	218.	218.			
F&F PORTLAND 11	01/01/2011	2,544.	728.	SL	HY	7.000	364.	364.			
F&F PORTLAND 11	05/01/2011	1,435.	410.	SL	HY	7.000	205.	205.			
F&F PORTLAND 11	08/03/2011	724.	206.	SL	HY	7.000	103.	103.			
F&F OLD SAYBR 11	04/03/2011	62,103.	17,750.	SL	HY	7.000	8,875.	8,875.			
F&F OLD SAYBR 11	05/03/2011	359.	102.	SL	HY	7.000	51.	51.			
F&F OLF SAYBR 11	09/03/2011	728.	208.	SL	HY	7.000	104.	104.			
F&F CHESTER 11	11/01/2010	571.	146.	SL	HY	7.000	73.	73.			
Less: Retired Assets											
<b>TOTALS</b>											

2X0034 1.000 JSA

\* Assets Retired

1086EX 3987

06-1472743



MHS PRIMARY CARE, INC.

### 2012 Alternative Minimum Tax Depreciation

Description of Property											
GENERAL DEPRECIATION AND AMORTIZATION											
Asset description	Date Placed in Service	AMT basis for depreciation	AMT accumulated depreciation	AMT method	AMT convention	AMT life	AMT depreciation deduction	Regular depreciation deduction	Post-86 depreciation adjustment	Leased pers. prop. preference	Real property preference
F&P WESTBROOK 10	12/01/2010	636.	162.	SL	HY	7.000	91.	91.			
LHI OCT 09	10/01/2009	835,206.	63,353.	SL	MM	39.000	21,415.	21,415.			
FURNITURE & FIXTURES	03/01/1999	60,178.	33,177.	150 DB	HY	7.000					
EQUIP- ESSEX 12	04/01/2012	598.	15.	SL	MQ	5.000	720.	120.			
EQUIP-ESSEX 12	05/01/2012	637.	16.	SL	MQ	5.000	127.	127.			
EQUIP-ESSEX 12	09/01/2012	1,110.	28.	SL	MQ	5.000	222.	222.			
EQUIP MADISON 12	04/01/2012	1,524.	48.	SL	MQ	5.000	385.	385.			
EQUIP MADISON 12	04/01/2012	507.	13.	SL	MQ	5.000	101.	101.			
EQUIP MADISON 12	08/01/2012	1,890.	48.	SL	MQ	5.000	386.	386.			
F & F CROWWELL	07/01/2012	1,049.	19.	SL	MQ	7.000	150.	150.			
EQUIP CROWWELL	07/01/2012	2,659.	66.	SL	MQ	5.000	532.	532.			
F & F CROWWELL 12	08/01/2012	1,829.	33.	SL	MQ	7.000	261.	261.			
F & F PORTLAND 11	12/01/2011	975.	17.	SL	MQ	7.000	139.	139.			
EQUIP PORTLAND 12	09/01/2012	912.	23.	SL	MQ	5.000	182.	182.			
EQUIP OLD SAYBROOK 1	01/01/2012	2,308.	58.	SL	MQ	5.000	462.	462.			
F&P OLD SAYBROOK	01/01/2012	666.	54.	SL	MQ	7.000	87.	87.			
F&P DURHAM 12	05/01/2012	670.	12.	SL	MQ	7.000	96.	96.			
EQUIP DURHAM 12	07/01/2012	3,615.	90.	SL	MQ	5.000	723.	723.			
EQUIP DURHAM	07/01/2012	2,175.	54.	SL	MQ	5.000	435.	435.			
EQUIP DURHAM 12	08/01/2012	743.	19.	SL	MQ	5.000	149.	149.			
EQUIP DURHAM 12	09/01/2012	913.	23.	SL	MQ	5.000	183.	183.			
LHI PORTLAND	12/01/2011	2,845.	58.	SL	MM	39.000	73.	73.			
LHI MADISON	08/01/2012	1,886.	6.	SL	MM	39.000	48.	48.			
EQUIP CROWWELL	09/01/2012	1,293.	32.	SL	MQ	5.000	259.	259.			
EQUIP OLD SAYBROOK	12/01/2011	3,349.	84.	SL	MQ	5.000	670.	670.			
EQUIP CHESTER 12	01/01/2012	3,895.	97.	SL	MQ	5.000	779.	779.			
F & F CHESTER 12	05/01/2012	638.	11.	SL	MQ	7.000	91.	91.			
F & F CHESTER 12	07/01/2012	1,276.	32.	SL	MQ	5.000	255.	255.			
F&P WESTBROOK 12	10/01/2012	1,221.		150 DB	HY	7.000	181.	174.	43.		
F&F CHESTER 12	11/01/2012	2,227.		150 DB	HY	7.000	239.	318.	79.		
F&P PORTLAND 12	11/01/2012	3,916.		150 DB	HY	7.000	419.	560.	141.		
F&P ESSEX 12		1,749.			HY	7.000					
F&P MADISON 12	11/01/2013	1,370.			HY	7.000					
F&P MIDDLETOWN 12	11/01/2012	841.		150 DB	HY	7.000	101.	134.	33.		
F&P OLD SAYBROOK 12	12/01/2012	3,724.		150 DB	HY	7.000	399.	552.	139.		
F&P MIDDLETOWN 12	12/01/2012	778.		150 DB	HY	7.000	83.	111.	28.		
F&P WESTBROOK 13	01/01/2013	3,155.		150 DB	HY	7.000	398.	451.	113.		
Less: Retired Assets											
TOTALS											

ZX9034 1.000

JSA

Assets Retired

1086EX 3987

06-1472743



MHS PRIMARY CARE, INC.

### 2012 ACE Depreciation

Description of Property									
GENERAL DEPRECIATION AND AMORTIZATION									
Asset description	Date placed in service	ACE basis for depreciation	ACE accumulated depreciation	Method	Orig. Life	Rem. Life	ACE depreciation	AMT** depreciation used	ACE adjustment
FURNITURE & FIXTURES	03/01/1997	167,319.	80,432.	DB	10.000	10.000			
FURNITURE & FIXTURES	03/01/1998	103,828.	57,908.	DB	10.000	10.000			
FURNITURE & FIXTURES	03/01/2000	23,259.	16,318.	DB	7.000	7.000			
FURNITURE & FIXTURES	03/01/2001	35,643.	31,825.	DB	7.000	7.000			
FURNITURE & FIXTURES	03/01/2002	37,474.	37,474.	DB	7.000	7.000			
LHI	09/30/1997	11,224.	3,091.	SL	40.000	40.000	281.		281.
LHI	04/30/1998	6,782.	1,870.	SL	60.000	40.000	170.		170.
LHI	11/30/1998	5,875.	1,617.	SL	40.000	40.000	147.		147.
LHI	02/24/1999	9,258.	2,607.	SL	39.000	39.000	237.		237.
LHI	03/31/1999	56,061.	15,818.	SL	39.000	39.000	1,438.		1,438.
LHI	04/30/1999	23,837.	6,666.	SL	39.000	39.000	606.		606.
LHI	05/24/1999	37,163.	10,483.	SL	39.000	39.000	953.		953.
LHI	08/31/1999	10,434.	2,948.	SL	39.000	39.000	268.		268.
LHI	09/30/1999	1,400.	538.	SL	39.000	39.000	49.		49.
LHI	10/29/1999	1,166.	330.	SL	39.000	39.000	30.		30.
LHI	11/23/1999	429.	121.	SL	39.000	39.000	11.		11.
LHI	09/29/2000	5,342.	1,507.	SL	39.000	39.000	137.		137.
LHI - CROM	01/30/2002	8,610.	2,367.	SL	39.000	39.000	221.		221.
LHI - CROM	02/28/2002	18,831.	5,132.	SL	39.000	39.000	483.		483.
LHI - CROM	03/30/2002	27,242.	7,359.	SL	39.000	39.000	698.		698.
LHI - OS	01/08/2001	2,597.	737.	SL	39.000	39.000	67.		67.
LHI - OS	02/14/2001	20,644.	5,819.	SL	39.000	39.000	529.		529.
LHI - OS	03/23/2001	32,000.	9,020.	SL	39.000	39.000	820.		820.
LHI - OS	04/16/2001	15,500.	4,367.	SL	39.000	39.000	397.		397.
LHI - OS	05/30/2001	3,829.	1,078.	SL	39.000	39.000	98.		98.
LHI - PORTLAND	04/28/2000	4,908.	1,386.	SL	39.000	39.000	126.		126.
LHI - PORTLAND	06/14/2000	2,385.	671.	SL	39.000	39.000	61.		61.
LHI	04/17/2002	16,300.	4,372.	SL	39.000	39.000	418.		418.
LHI	05/31/2002	13,600.	3,621.	SL	39.000	39.000	349.		349.
LHI	06/24/2002	8,150.	2,151.	SL	39.000	39.000	209.		209.
LHI - DUR	03/01/2003	6,300.	1,545.	SL	39.000	39.000	162.		162.
LHI - ESSEX	03/01/2003	185.	48.	SL	39.000	39.000	5.		5.
LHI - OS	11/01/2002	7,000.	1,760.	SL	39.000	39.000	179.		179.
LHI - PORTLAND	03/01/2003	921.	229.	SL	39.000	39.000	24.		24.
LHI - WESTBROOK	07/01/2003	3,468.	820.	SL	39.000	39.000	89.		89.
FURNITURE & FIXTURES	03/01/2004	55,992.	55,992.	DB	5.000	5.000			
Less: Retired Assets									
<b>TOTALS</b>									

\*Assets Retired

\*\*In certain circumstances, this may be regular tax depreciation rather than AMT depreciation.

MES PRIMARY CARE, INC.

### 2012 ACE Depreciation

Description of Property									
GENERAL DEPRECIATION AND AMORTIZATION									
Asset description	Date placed in service	ACE basis for depreciation	ACE accumulated depreciation	Method	Orig. Life	Rem. Life	ACE depreciation	AMT** depreciation used	ACE adjustment
LHT - DUR	03/01/2004	71,821.	15,727.	SL	39.000	39.000	1,841.	1,841.	
LHT - ESSEX	03/01/2004	60,323.	13,257.	SL	39.000	39.000	1,552.	1,552.	
LHT - PORTLAND	03/01/2004	1,245.	291.	SL	39.000	39.000	34.	34.	
LHT - OS	03/01/2004	118,863.	26,035.	SL	39.000	39.000	3,048.	3,048.	
LHT - WABROOK	03/01/2004	2,213.	487.	SL	39.000	39.000	57.	57.	
LHT	04/01/2005	8,016.	1,536.	SL	39.000	39.000	206.	206.	
FURNITURE & FIXTURES	04/01/2005	69,075.	69,075.	DB	5.000	5.000			
F&F- DURHAM	04/01/2006	6,880.	6,879.	DB	5.000	5.000			
F&F- CROMWELL	04/01/2006	4,163.	4,163.	DB	5.000	5.000			
F&F- ESSEX	04/01/2006	16,192.	16,192.	DB	5.000	5.000			
F&F- CHESTER	04/01/2006	6,167.	6,167.	DB	5.000	5.000			
F&F- SAYBROOK ROAD	04/01/2006	6,215.	6,214.	DB	5.000	5.000			
F&F- WESTBROOK	04/01/2006	47,793.	47,792.	DB	5.000	5.000			
F&F- ADM	04/01/2006	7,384.	7,384.	DB	5.000	5.000			
F&F- MADISON	04/01/2006	3,048.	3,048.	DB	5.000	5.000			
LHT- WESTBROOK	04/01/2006	13,900.	2,500.	SL	39.000	39.000	356.	356.	
COMPUTER- ADM	05/22/2007	3,260.	3,260.	DB	5.000	5.000			
F&F- ADM	05/24/2007	634.	761.	DB	7.000	7.000	114.	114.	
COMPUTER- ADM	06/26/2007	1,018.	1,018.	DB	5.000	5.000			
EQUIPMENT- CROMWELL	01/02/2007	721.	721.	DB	5.000	5.000			
COMPUTER- CROMWELL	02/28/2007	1,496.	1,495.	DB	5.000	5.000			
EQUIPMENT- CROMWELL	08/08/2007	771.	771.	DB	5.000	5.000			
F&F- DURHAM	03/31/2007	39,685.	32,390.	DB	7.000	7.000	4,861.	4,861.	
COMPUTER- DURHAM	03/31/2007	4,582.	4,581.	DB	5.000	5.000			
COMPUTER- DURHAM	06/25/2007	1,018.	1,018.	DB	5.000	5.000			
LHT- DURHAM	09/30/2007	298,871.	38,635.	SL	39.000	39.000	7,663.	7,663.	
EQUIPMENT- ESSEX	01/31/2007	795.	794.	DB	5.000	5.000			
F&F- ESSEX	05/31/2007	3,435.	2,804.	DB	7.000	7.000	421.	421.	
COMPUTER- LV	04/30/2007	1,614.	1,614.	DB	5.000	5.000			
COMPUTER- OLD SAYBROOK	11/30/2006	1,574.	1,573.	DB	5.000	5.000			
EQUIPMENT- SAYBROOK RD	11/30/2006	1,544.	1,544.	DB	5.000	5.000			
COMPUTER- SAYBROOK RD	07/01/2007	1,182.	1,181.	DB	5.000	5.000			
F&F- WESTBROOK	04/30/2007	1,270.	1,036.	DB	7.000	7.000	156.	156.	
LHT- WESTBROOK	05/31/2007	4,359.	602.	SL	39.000	39.000	112.	112.	
COMPUTER- CROMWELL	08/30/2007	1,548.	1,548.	DB	5.000	5.000			
SIGNS- DURHAM	03/31/2007	3,806.	543.	SL	39.000	39.000	98.	98.	
Less: Retired Assets									
TOTALS									

\*Assets Retired

\*\*In certain circumstances, this may be regular tax depreciation rather than AMT depreciation.

### 2012 ACE Depreciation

Description of Property									
GENERAL DEPRECIATION AND AMORTIZATION									
Asset description	Date placed in service	ACE basis for depreciation	ACE accumulated depreciation	Method	Orig. Life	Rem. Life	ACE depreciation	AMT** depreciation used	ACE adjustment
EQUIPMENT- ESSEX	02/28/2007	1,496.	1,495.	DB	5,000	5,000			
EQUIPMENT- SAYBROK RD	12/31/2006	1,416.	1,416.	DB	5,000	5,000			
F&F - DURHAM	10/31/2007	2,961.	2,054.	DB	7,000	7,000	363.	363.	
F&F - ESSEX	08/01/2008	520.	368.	DB	7,000	7,000	65.	65.	
F&F - LOWER VALLEY	11/12/2007	310.	562.	DB	7,000	7,000	99.	99.	
F&F - PORTLAND	11/16/2007	1,333.	924.	DB	7,000	7,000	163.	163.	
F&F - OLD SAYBROOK	02/15/2008	3,215.	2,230.	DB	7,000	7,000	384.	384.	
F&F - WESTBROOK	06/27/2008	848.	588.	DB	7,000	7,000	104.	104.	
F&F - CBO	03/19/2008	4,346.	3,013.	DB	7,000	7,000	532.	532.	
F&F - MADISON	07/17/2008	3,345.	2,321.	DB	7,000	7,000	410.	410.	
LMT - DURHAM	10/31/2007	3,022.	382.	SL	39,000	39,000	77.	77.	
LMT - PORTLAND	11/16/2007	53,102.	6,641.	SL	39,000	39,000	1,362.	1,362.	
LMT - CBO	03/19/2008	7,420.	987.	SL	39,000	39,000	191.	191.	
WORK STATIONS-CBO	01/31/2008	2,775.	1,585.	DB	7,000	7,000	340.	340.	
PHONE SYSTEM-ADM	01/31/2008	9,267.	6,951.	DB	5,000	5,000	1,544.	1,544.	
WORK STATIONS-ADM	01/31/2008	4,977.	2,843.	DB	7,000	7,000	610.	610.	
F&F-CROWWELL	01/31/2008	2,584.	1,476.	DB	7,000	7,000	317.	317.	
LMT-CROWWELL	10/01/2008	71,120.	7,222.	SL	39,000	39,000	1,824.	1,824.	
PHONE SYSTEM-CROWWEL	02/04/2008	8,360.	6,271.	DB	5,000	5,000	1,393.	1,393.	
SHELF FILING SYSTEM	01/30/2008	2,439.	1,392.	DB	7,000	7,000	289.	289.	
REFRIGERATOR-CROWWEL	01/30/2008	468.	267.	DB	7,000	7,000	57.	57.	
F&F-CROWWELL	02/13/2008	1,892.	1,081.	DB	7,000	7,000	232.	232.	
EQUIPMENT-CROWWELL	02/27/2008	20,177.	15,135.	DB	5,000	5,000	3,361.	3,361.	
WORK STATION-CROWWEL	09/22/2008	2,085.	1,564.	DB	5,000	5,000	347.	347.	
LMT-CROWWELL	10/01/2008	459,846.	46,587.	SL	39,000	39,000	11,765.	11,765.	
ECR-DURHAM	05/31/2008	5,189.	3,891.	DB	5,000	5,000	864.	864.	
PHONE SYSTEM-ESSEX	12/16/2008	10,219.	7,665.	DB	5,000	5,000	1,702.	1,702.	
REFRIGERATOR-ESSEX	02/20/2009	493.	281.	DB	7,000	7,000	60.	60.	
FURNITURE-ESSEX	02/27/2009	9,514.	5,434.	DB	7,000	7,000	1,165.	1,165.	
FURNITURE-ESSEX	02/27/2009	8,737.	4,990.	DB	7,000	7,000	1,070.	1,070.	
F&F-ESSEX	04/20/2009	3,175.	1,813.	DB	7,000	7,000	389.	389.	
F&F-ESSEX	04/30/2009	953.	544.	DB	7,000	7,000	117.	117.	
NEW OFFICE-ESSEX	02/23/2009	7,868.	732.	SL	39,000	39,000	202.	202.	
F&F-MADISON	10/08/2008	5,391.	3,078.	DB	7,000	7,000	660.	660.	
PHONE SYSTEM-MADISON	12/11/2008	9,569.	7,177.	DB	5,000	5,000	1,594.	1,594.	
F&F-MADISON	12/31/2008	20,274.	17,292.	DB	7,000	7,000	3,709.	3,709.	
Less: Retired Assets									
<b>TOTALS</b>									

\*Assets Retired

\*\*In certain circumstances, this may be regular tax depreciation rather than AMT depreciation.

### 2012 ACE Depreciation

Description of Property									
GENERAL DEPRECIATION AND AMORTIZATION									
Asset description	Date placed in service	ACE basis for depreciation	ACE accumulated depreciation	Method	Orig. Life	Rem. Life	ACE depreciation	AMT** depreciation used	ACE adjustment
F&F-MADISON	02/27/2009	1,463.	836.	DB	7.000	7.000	179.	179.	
MEDICAL-MADISON	02/27/2009	1,570.	1,178.	DB	5.000	5.000	262.	262.	
FILE CABINET-MADISON	04/30/2009	1,431.	817.	DB	7.000	7.000	175.	175.	
AUDIOSCOPR-MADISON	05/31/2009	725.	544.	DB	5.000	5.000	121.	121.	
F&F-MADISON	10/01/2008	493.	281.	DB	7.000	7.000	60.	60.	
LHI-MADISON	10/03/2008	369,616.	37,527.	SL	39.000	39.000	9,477.	9,477.	
DIAGNOSTIC-OLD SAYBR	06/30/2009	1,605.	1,203.	DB	5.000	5.000	267.	267.	
FAX MACHINE-PORTLAND	07/31/2009	509.	382.	DB	5.000	5.000	85.	85.	
FILING SYSTEM-SAYBR	07/01/2009	1,819.	1,440.	DB	5.000	5.000	320.	320.	
LHI - OLD SAYBROOK	01/01/2009	52,494.	4,993.	SL	39.000	39.000	1,346.	1,346.	
F&F - ESSEX 09	10/01/2009	1,378.	731.	SL	7.000	7.000	197.	197.	
SOFT- MIDDLETWN 09	10/01/2009	2,247.	2,247.	SL	3.000	3.000			
EQUIP - MIDDLETWN 09	10/01/2009	3,551.	2,556.	SL	5.000	5.000	710.	710.	
EQUIP - MADISON 09	10/01/2009	502.	362.	SL	5.000	5.000	101.	101.	
F&F - WESTBROOK 09	10/01/2009	574.	305.	SL	7.000	7.000	82.	82.	
EQUIP - OL SAYBRK 09	10/01/2009	550.	396.	SL	5.000	5.000	110.	110.	
F&F - OL SAYBRK 09	10/01/2009	1,636.	869.	SL	7.000	7.000	234.	234.	
F&F - DURHAM 09	10/01/2009	4,328.	2,296.	SL	7.000	7.000	618.	618.	
F&F - CHESTER 09	10/01/2009	815.	432.	SL	7.000	7.000	116.	116.	
EQUIP - CROMWELL 09	10/01/2009	7,903.	5,691.	SL	5.000	5.000	1,581.	1,581.	
F&F - CROMWELL 09	10/01/2009	419.	223.	SL	7.000	7.000	60.	60.	
EQUIP - PORTLAND 09	10/01/2009	10,178.	7,329.	SL	5.000	5.000	2,036.	2,036.	
F&F - PORTLAND 09	10/01/2009	51,860.	27,523.	SL	7.000	7.000	7,406.	7,406.	
LHI - PORTLD MAY 09	05/01/2010	319,500.	19,461.	SL	39.000	39.000	8,192.	8,192.	
LHI - PORTLD JUNE 09	06/01/2010	23,478.	1,380.	SL	39.000	39.000	602.	602.	
F&F - ADMN 11	06/01/2011	709.	202.	SL	7.000	7.000	101.	101.	
F&F MIDDLETOWN 10	11/01/2010	2,288.	654.	SL	7.000	7.000	327.	327.	
F&F MIDDLETOWN 11	06/01/2011	556.	158.	SL	7.000	7.000	79.	79.	
F&F MADISON 11	01/01/2011	584.	166.	SL	7.000	7.000	83.	83.	
F&F MADISON 11	09/01/2011	1,035.	296.	SL	7.000	7.000	146.	146.	
F&F CROMWELL 11	07/01/2011	627.	180.	SL	7.000	7.000	90.	90.	
F&F CROWELL 11	09/01/2011	846.	242.	SL	7.000	7.000	121.	121.	
F&F PORTLAND 10	11/01/2010	1,525.	436.	SL	7.000	7.000	218.	218.	
F&F PORTLAND 11	01/01/2011	2,544.	728.	SL	7.000	7.000	366.	366.	
F&F PORTLAND 11	05/02/2011	1,435.	410.	SL	7.000	7.000	205.	205.	
F&F PORTLAND 11	08/01/2011	724.	206.	SL	7.000	7.000	103.	103.	
Less: Retired Assets									
TOTALS									

\*Assets Retired

\*\*In certain circumstances, this may be regular tax depreciation rather than AMT depreciation.

MHS PRIMARY CARE, INC.

### 2012 ACE Depreciation

Description of Property										
GENERAL DEPRECIATION AND AMORTIZATION										
Asset description	Date placed in service	ACE basis for depreciation	ACE accumulated depreciation	Method	Orig. Life	Rem. Life	ACE depreciation	AMT** depreciation used	ACE adjustment	
F&F OLD SAYBR 11	04/01/2011	62,103.	17,750.	SL	7.000	7.000	8,875.	8,875.		
F&F OLD SAYBR 11	05/01/2011	359.	102.	SL	7.000	7.000	51.	51.		
F&F OLD SAYBR 11	09/01/2011	728.	208.	SL	7.000	7.000	104.	104.		
F&F CHESTER 11	11/01/2010	511.	146.	SL	7.000	7.000	73.	73.		
F&F WESTBROOK 10	12/01/2010	636.	182.	SL	7.000	7.000	91.	91.		
LBI OCT 09	10/01/2009	835,200.	69,353.	SL	39.000	39.000	21,415.	21,415.		
FURNITURE & FIXTURES	05/01/1999	60,178.	33,177.	DB	7.000	7.000				
EQUIP- ESSEX 12	04/01/2012	598.	15.	SL	5.000	5.000	120.	120.		
EQUIP-ESSEX 12	05/01/2012	637.	14.	SL	5.000	5.000	127.	127.		
EQUIP-ESSEX 12	09/01/2012	1,110.	28.	SL	5.000	5.000	222.	222.		
EQUIP MADISON 12	04/01/2012	1,924.	48.	SL	5.000	5.000	385.	385.		
EQUIP MADISON 12	04/01/2012	507.	13.	SL	5.000	5.000	101.	101.		
EQUIP MADISON 12	08/01/2012	1,890.	48.	SL	5.000	5.000	386.	386.		
F & F CROWWELL	07/01/2012	1,049.	19.	SL	7.000	7.000	150.	150.		
EQUIP CROWWELL	07/01/2012	2,859.	56.	SL	5.000	5.000	532.	532.		
F & F CROWWELL 12	08/01/2012	1,829.	33.	SL	7.000	7.000	261.	261.		
F & F PORTLAND 11	12/01/2011	875.	17.	SL	7.000	7.000	139.	139.		
EQUIP PORTLAND 12	09/01/2012	912.	23.	SL	5.000	5.000	182.	182.		
EQUIP OLD SAYBROOK 1	01/01/2012	2,308.	58.	SL	5.000	5.000	462.	462.		
F&F OLD SAYBROOK	01/01/2012	606.	54.	SL	7.000	7.000	87.	87.		
F&F DURHAM 12	05/01/2012	670.	12.	SL	7.000	7.000	96.	96.		
EQUIP DURHAM 12	07/01/2012	3,615.	90.	SL	5.000	5.000	723.	723.		
EQUIP DURHAM	07/01/2012	2,175.	54.	SL	5.000	5.000	435.	435.		
EQUIP DURHAM 12	08/01/2012	743.	19.	SL	5.000	5.000	149.	149.		
EQUIP DURHAM 12	09/01/2012	813.	23.	SL	5.000	5.000	183.	183.		
LBI PORTLAND	12/01/2011	2,845.	58.	SL	39.000	39.000	73.	73.		
LBI MADISON	08/01/2012	1,886.	6.	SL	39.000	39.000	48.	48.		
EQUIP CROWWELL	09/01/2012	1,293.	32.	SL	5.000	5.000	259.	259.		
EQUIP OLD SAYBROOK	12/01/2011	3,349.	84.	SL	5.000	5.000	670.	670.		
EQUIP CHESTER 12	01/01/2012	3,895.	91.	SL	5.000	5.000	779.	779.		
F & F CHESTER 12	05/01/2012	638.	11.	SL	7.000	7.000	91.	91.		
F & F CHESTER 12	07/01/2012	1,276.	32.	SL	5.000	5.000	255.	255.		
F&F WESTBROOK 12	10/01/2012	1,221.		DB	7.000	7.000	131.	131.		
F&F CHESTER 12	11/01/2012	2,227.		DB	7.000	7.000	239.	239.		
F&F PORTLAND 12	11/01/2012	3,316.		DB	7.000	7.000	419.	419.		
F&F ESSEX 12		1,749.		SL	7.000	7.000	250.			-250.
Less: Retired Assets										
<b>TOTALS</b>										

\*Assets Retired

\*\*In certain circumstances, this may be regular tax depreciation rather than AMT depreciation.

JSA  
2X9033 1.000

1066EX 3967

06-1472743

### 2012 ACE Depreciation

Description of Property									
GENERAL DEPRECIATION AND AMORTIZATION									
Asset description	Date placed in service	ACE basis for depreciation	ACE accumulated depreciation	Method	Orig. Life	Rem. Life	ACE depreciation	AMT** depreciation used	ACE adjustment
F&F MADISON 12	11/01/2013	1,370.		SL	7.000	7.000			
F&F MIDDLETOWN 12	11/01/2012	841.		DB	7.000	7.000	101.	101.	
F&F OLD SAYBROOK 12	12/01/2012	3,724.		DB	7.000	7.000	399.	399.	
F&F MIDDLETOWN 12	12/01/2012	778.		DB	7.000	7.000	83.	83.	
F&F WESTBROOK 13	01/01/2013	3,155.		DB	7.000	7.000	338.	338.	
F&F OLD SAYBROOK	02/01/2013	4,027.		DB	7.000	7.000	431.	431.	
F&F DURHAM 13	04/01/2013	1,383.		DB	7.000	7.000	148.	148.	
F&F CORNWELL 13	04/01/2013	2,659.		DB	7.000	7.000	285.	285.	
F&F WESTBROOK 13	04/01/2013	1,400.		DB	7.000	7.000	150.	150.	
F&F ESSEX 13	06/01/2013	1,460.		DB	7.000	7.000	150.	150.	
F&F PORTLAND 13	06/01/2013	1,010.		DB	7.000	7.000	108.	108.	
F&F ESSEX 13	09/01/2013	645.		DB	7.000	7.000	69.	69.	
F&F MIDDLETOWN 13	07/01/2013	517.		DB	7.000	7.000	98.	98.	
LHI ESSEX 13	02/12/2013	3,875.		SL	39.000	39.000	52.	62.	
LHI DURHAM 13	05/01/2013	2,965.		SL	39.000	39.000	29.	29.	
LHI MADISON 13	06/01/2013	2,650.		SL	39.000	39.000	20.	20.	
LHI PORTLAND 13	07/01/2013	3,575.		SL	39.000	39.000	19.	19.	
LHI CHESTER 13	08/01/2013	3,725.		SL	39.000	39.000	12.	12.	
* FURNITURE & FIXTURES	03/01/2003	15,474.	15,474.	DB	5.000	5.000			
FURNITURE & FIXTURES	03/01/2003	38,673.	38,673.	DB	5.000	5.000			
Less: Retired Assets		-15,474.	-15,474.						
TOTALS		4,322,323.	1,151,894.				144,403.	144,153.	-250.

\*Assets Retired

\*\*In certain circumstances, this may be regular tax depreciation rather than AMT depreciation.



MHS PRIMARY CARE, INC.

06-1472743

FORM 1120, PAGE 1 DETAIL

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LINE 5 - INTEREST INCOME

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OTHER INTEREST INCOME

16.

TOTAL

16.

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LINE 10 - OTHER INCOME

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OTHER PATIENT REVENUE  
MISCELLANEOUS INCOME  
BAD DEBT RECOVERIES

48,320.

616,220.

-113,974.

TOTAL

550,566.

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MHS PRIMARY CARE, INC.

06-1472743

FORM 1120, PAGE 1 DETAIL

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LINE 17 - TAX SUMMARY

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TAXES (EXCLUDING INCOME TAXES)	21,468.
OTHER STATE AND LOCAL TAXES	4,238.
	<hr/>
TOTAL	25,706.
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LINE 17 - TAXES AND LICENSES

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TAXES AND LICENSES	21,468.
ACCRUED STATE TAXES FOR CONNECTICUT	4,238.
	<hr/>
TOTAL	25,706.
	<hr/> <hr/>

## FORM 1120, PAGE 1 DETAIL

## LINE 26 - SUMMARY OF TRAVEL, MEALS AND ENTERTAINMENT

NET MEALS & ENTERTAINMENT	2,963.
100% ALLOWABLE TRAVEL AND ENTERTAINMENT	10,528.
TOTAL	13,491.

## LINE 26 - OTHER DEDUCTIONS

AMORTIZATION	13,607.
TRAVEL, MEALS AND ENTERTAINMENT	13,491.
INSURANCE	132,087.
DUES MEMBERSHIP & LICENCES	41,833.
PURCHASED MEDICAL SERVICES	642,886.
PROFESSIONAL FEES	199,846.
RECRUITMENT & TRAINING	224,634.
PROMOTIONAL ADVERTISING	33,843.
BANK SERVICE CHARGES	43,826.
UTILITIES	177,834.
MISCELLANEOUS	207,783.
PURCHASED SERVICES	296,837.
TOTAL	2,028,507.

MHS PRIMARY CARE, INC.

06-1472743

FORM 1120, PAGE 1 DETAIL

LINE 29A - NON-SRLY NOL DEDUCTION

YEAR ENDING	ORIGINAL NOL	AMOUNT AVAILABLE	AMOUNT USED	CONVERTED CONTRIBUTIONS	CARRYOVER TO NEXT YEAR
09/30/1998	2,507,506.	2,507,506.			2,507,506.
09/30/1999	2,843,150.	2,843,150.			2,843,150.
09/30/2000	2,174,941.	2,174,941.			2,174,941.
09/30/2001	1,692,910.	1,692,910.			1,692,910.
09/30/2002	1,067,305.	1,067,305.			1,067,305.
09/30/2003	927,355.	927,355.			927,355.
09/30/2004	863,626.	863,626.			863,626.
09/30/2005	686,274.	686,274.			686,274.
09/30/2006	1,111,099.	1,111,099.			1,111,099.
09/30/2007	1,425,235.	1,425,235.			1,425,235.
09/30/2008	1,561,740.	1,561,740.			1,561,740.
09/30/2009	1,930,082.	1,930,082.			1,930,082.
09/30/2010	2,714,529.	2,714,529.			2,714,529.
09/30/2011	2,456,804.	2,456,804.			2,456,804.
09/30/2012	2,854,831.	2,854,831.			2,854,831.
09/30/2013	2,735,580.	2,735,580.			2,735,580.
TOTAL	29,552,967.	29,552,967.			29,552,967.

## FORM 1120, PAGE 5 DETAIL

SCH L, LINE 6 -  
OTHER CURRENT ASSETS

	BEGINNING	ENDING
PREPAID INSURANCE	99,054.	85,942.
TOTAL	99,054.	85,942.

## SCH L, LINE 14 - OTHER ASSETS

OTHER ASSETS	NONE	72,964.
TOTAL	NONE	72,964.

SCH L, LINE 18 -  
OTHER CURRENT LIABILITIES

DUE TO AFFILIATES	82,253.	27,904.
ACCRUED SALARY	672,904.	843,835.
ACCRUED BONUS	112,398.	102,335.
ACCURED 401K EMPLOYERS MATCH	218,371.	230,791.
OTHER ACCURALS	56,050.	31,097.
CAPITAL LEASE LIABILITY	44,001.	40,338.
ACCRUED VACATION	181,721.	178,510.
TOTAL	1,367,698.	1,454,810.

## SCH L, LINE 21 - OTHER LIABILITIES

MHSPC RETENTION BONUS	114,780.	58,786.
TOTAL	114,780.	58,786.

FORM 1120, PAGE 5 DETAIL

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SCH M-1, LINE 5 - EXPENSES RECORDED ON BOOKS NOT DEDUCTED ON RETURN

---

BAD DEBTS	16,587.
ACCRUED VACATION	44,628.
TOTAL	<u>61,215.</u>

SCH M-1, LINE 8 - DEDUCTIONS ON RETURN NOT RECORDED ON BOOKS

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STATE TAXES	4,238.
AMORTIZATION	13,607.
TOTAL	<u>17,845.</u>

FORM 4626 DETAIL

LINE 6 - NON-SRLY AMT NOL DEDUCTION

YEAR ENDING	ORIGINAL NOL	AMOUNT AVAILABLE	AMOUNT USED	CARRYOVER TO NEXT YEAR
09/30/1998	2,484,066.	2,484,066.		2,484,066.
09/30/1999	2,825,927.	2,825,927.		2,825,927.
09/30/2000	2,170,910.	2,170,910.		2,170,910.
09/30/2001	1,692,910.	1,692,910.		1,692,910.
09/30/2002	1,062,826.	1,062,826.		1,062,826.
09/30/2003	921,236.	921,236.		921,236.
09/30/2004	863,534.	863,534.		863,534.
09/30/2005	700,774.	700,774.		700,774.
09/30/2006	1,133,531.	1,133,531.		1,133,531.
09/30/2007	1,442,597.	1,442,597.		1,442,597.
09/30/2008	1,569,701.	1,569,701.		1,569,701.
09/30/2009	1,931,840.	1,931,840.		1,931,840.
09/30/2010	2,710,076.	2,710,076.		2,710,076.
09/30/2011	2,452,525.	2,452,525.		2,452,525.
09/30/2012	2,861,133.	2,861,133.		2,861,133.
09/30/2013	2,742,813.	2,742,813.		2,742,813.
<b>TOTAL</b>	<b>29,566,399.</b>	<b>29,566,399.</b>		<b>29,566,399.</b>

FORM 3115, PAGE 3 DETAIL

PART II, LINE 12 - OVERALL METHOD OF ACCOUNTING ATTACHMENT

ITEM CHANGING: ACCRUED VACATION

PRESENT METHOD:

PREVIOUS METHOD, MHS PRIMARY CARE DEDUCTED ACCRUED VACATION COST AT THE TIME THEY WERE ACCRUED UNDER US GAAP

PROPOSED METHOD:

PROPOSED METHOD, UNDER § 404 MHS PRIMARY CARE WILL EXCLUDE DEFERRED COMPENSATION FROM ITS CALCULATION OF TAXABLE INCOME UNTIL SUCH AMOUNT IS UNCLUDIBLE IN THE GROSS INCOME OF THE EMPLOYEE.

OVERALL METHOD: ACCRUAL

PART II, LINE 13 - TRADE OR BUSINESS STATEMENT

MHS PRIMARY CARE  
BUSINESS CODE: 621111  
BUSINESS ACTIVITY: PHYSICIAN PRACTICE  
SERVICE: HEALTH CARE  
PARENT-SUBSIDIARY CONTROLLED GROUP: MIDDLESEX HEALTH SYSTEMS, INC. 22-2676137

PART II, LINE 14 - PROPOSED METHOD OF ACCOUNTING

MHS PRIMARY CARE PROPOSES TO CHANGE ITS METHOD OF ACCOUNTING FOR COMPENSATION BASED ACCRUALS IN ORDER TO COMPLY WITH IRC (SECTION) 404 ONLY. THE COMPANY'S BOOKS AND RECORDS WILL CONTINUE TO EXPENSE ALL COMPENSATION-BASED EXPENSES WHEN ACCRUED FOR US GAAP PURPOSES.

PART IV, LINE 25 - COMPUTATION OF SECTION 481A ADJUSTMENT

UNDER ITS FORMER METHOD USED TO ACCOUNT FOR ACCRUED COMPENSATION (VACATION) COSTS, MHS PRIMARY CARE HAD PREVIOUSLY DEDUCTED SUCH EXPENSES AT THE TIME THEY WERE ACCRUED UNDER US GAAP. RECOGNIZING THIS TREATMENT DOES NOT CONFORM WITH IRC §404, BEGINNING IN TYE 09/30/2013, MHS PRIMARY CARE PROPOSED TO CHANGE ITS METHOD OF ACCOUNTING. HENCEFORTH, PURSUANT TO §404, MHS PRIMARY CARE WILL EXCLUDE DEFERRED COMPENSATION FROM ITS CALCULATION OF TAXABLE INCOME UNTIL SUCH AMOUNT IS UNCLUDIBLE IN THE GROSS INCOME OF THE EMPLOYEE. THEREFORE, CURRENT YEAR



FORM 3115, PAGE 3 DETAIL

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PART IV, LINE 25 - COMPUTATION OF SECTION 481A ADJUSTMENT (CONT'D)

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DEDUCTIONS FOR COMPENSATION BASED ACCRUALS WILL NOW BE LIMITED TO THOSE AMOUNTS ACCRUED DURING THE YEAR, WHICH ARE ACTUALLY PAID TO THE EMPLOYEE WITHIN 2.5 MONTHS AFTER THE END OF THE TAX YEAR.

BALANCE OF ACCRUED COMPENSATION AT YEAR END	178,510
AMOUNT PAID	0
SECTION 481(A) ADJUSTMENT	178,510

FEDERAL ELECTIONS

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DESCRIPTION: ELECTION NOT TO CLAIM SPECIAL DEPRECIATION ALLOWANCE

ELECTION TO NOT CLAIM BONUS DEPR.

PURSUANT TO CODE SECTION 168(K)(2)(D)(III), THE TAXPAYER, MHS PRIMARY CARE, INC, HEREBY ELECTS OUT OF THE SPECIAL DEPRECIATION ALLOWANCE OF CODE SECTION 168(K) FOR ALL PROPERTY PLACED IN SERVICE BY THE TAXPAYER DURING THE TAXABLE YEAR WHICH WOULD OTHERWISE QUALIFY FOR THE SPECIAL DEPRECIATION ALLOWANCE UNDER CODE SECTION 168(K) FOR ALL ASSET CLASSES.

## Huber, Jack

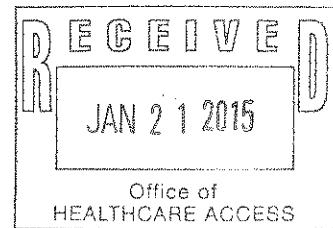
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**From:** Ludwig, Don <don.ludwig@midhosp.org>  
**Sent:** Tuesday, January 20, 2015 5:55 PM  
**To:** Huber, Jack  
**Cc:** Roberts, Karen  
**Subject:** MHS Primary Care - Annual Report Filing Attached  
**Attachments:** MHSPC Letter to OHCA dtd 01-20-2015.pdf; MHSPC\_AR Filing.pdf

Jack:  
Please see the attached filing and the letter we discussed.  
Don

**Donald R. Ludwig**  
*Controller*

Middlesex Hospital  
28 Crescent Street  
Middletown, CT 06457  
office: 860-358-6879  
fax: 860-358-6992  
[www.middlesexhospital.org](http://www.middlesexhospital.org)



On Fri, Dec 12, 2014 at 3:22 PM, Huber, Jack <[Jack.Huber@ct.gov](mailto:Jack.Huber@ct.gov)> wrote:

Dear Mr. Ludwig:

A medical foundation shall annually submit to the Department of Public Health, Office of Health Care Access ("OHCA") the reporting requirements for its Annual Reporting in accordance with Section 33-182bb of the Connecticut General Statutes, as amended by Section 3 of Public Act 14-168.

### **Filing Instructions:**

Your Annual Reporting requirements will be met by filing as a **PDF file in Adobe Acrobat** all the required documentation as follows:

1. A statement of your medical foundation's mission;
2. A description of the services provided by your medical foundation;
3. A description of any significant change in the services provided by your medical foundation during the preceding fiscal year; and
4. Other financial information that is substantially similar to that required by the Internal Revenue Service ("IRS") in its Form 990 - Return of Organization Exempt from Income Tax.

All components of the MHS Primary Care's Annual Reporting must be received by OHCA **by no later than Wednesday, December 31, 2014.** Please email me at: Jack.Huber@ct.gov with the required electronic file. When naming your file, please use the filename: MHSPC\_AR Filing.

Should you have any questions concerning any of the new medical foundation Annual Reporting requirements, please contact me at (860) 418-7069 or by emailing me at the address cited above. Thank you for your attention to this matter.

Sincerely,

*Jack Huber*

Jack Huber  
Health Care Analyst  
Department of Public Health  
Office of Health Care Access  
410 Capitol Avenue  
P.O. Box 340308 MS #13HCA  
Hartford, CT 06134  
Office: (860) 418-7069  
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Email: Jack.Huber@ct.gov

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