

Form **990**

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

OMB No. 1545-0047

2018

Department of the Treasury
Internal Revenue Service

▶ Do not enter social security numbers on this form as it may be made public.
▶ Go to www.irs.gov/Form990 for instructions and the latest information.

Open to Public Inspection

A For the 2018 calendar year, or tax year beginning **OCT 1, 2018** and ending **SEP 30, 2019**

| | | |
|--|---|---|
| B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending | C Name of organization <p align="center">Huggins Hospital</p> Doing business as Number and street (or P.O. box if mail is not delivered to street address) Room/suite <p align="center">P.O. Box 912</p> City or town, state or province, country, and ZIP or foreign postal code <p align="center">Wolfeboro, NH 03894</p> | D Employer identification number <p align="center">02-0223332</p> |
| F Name and address of principal officer: Jeremy Roberge same as C above | | E Telephone number <p align="center">603-569-7571</p> |
| I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527 | | G Gross receipts \$ 105,899,007. |
| J Website: ▶ www.hugginshospital.org | | H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) |
| K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶ | | H(c) Group exemption number ▶ |
| L Year of formation: 1907 | | M State of legal domicile: NH |

Part I Summary

| | | | | |
|------------------------------------|--|---|----------------------------------|---------------------|
| | 1 | Briefly describe the organization's mission or most significant activities: Critical Access Hospital | | |
| Activities & Governance | 2 | Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets. | | |
| | 3 | Number of voting members of the governing body (Part VI, line 1a) | 3 | 17 |
| | 4 | Number of independent voting members of the governing body (Part VI, line 1b) | 4 | 13 |
| | 5 | Total number of individuals employed in calendar year 2018 (Part V, line 2a) | 5 | 610 |
| | 6 | Total number of volunteers (estimate if necessary) | 6 | 113 |
| | 7a | Total unrelated business revenue from Part VIII, column (C), line 12 | 7a | 0. |
| | 7b | Net unrelated business taxable income from Form 990-T, line 38 | 7b | 0. |
| Revenue | 8 | Contributions and grants (Part VIII, line 1h) | Prior Year | Current Year |
| | 9 | Program service revenue (Part VIII, line 2g) | 1,574,798. | 609,835. |
| | 10 | Investment income (Part VIII, column (A), lines 3, 4, and 7d) | 60,827,351. | 64,062,379. |
| | 11 | Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) | 2,593,711. | 5,709,535. |
| | 12 | Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12) | 115,182. | 96,839. |
| Expenses | 13 | Grants and similar amounts paid (Part IX, column (A), lines 1-3) | 65,111,042. | 70,478,588. |
| | 14 | Benefits paid to or for members (Part IX, column (A), line 4) | 163,210. | 192,099. |
| | 15 | Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10) | 0. | 0. |
| | 16a | Professional fundraising fees (Part IX, column (A), line 11e) | 31,683,380. | 36,548,706. |
| | b | Total fundraising expenses (Part IX, column (D), line 25) ▶ 361,205. | 0. | 0. |
| | 17 | Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e) | 28,153,975. | 28,493,934. |
| | 18 | Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25) | 60,000,565. | 65,234,739. |
| 19 | Revenue less expenses. Subtract line 18 from line 12 | 5,110,477. | 5,243,849. | |
| Net Assets or Fund Balances | 20 | Total assets (Part X, line 16) | Beginning of Current Year | End of Year |
| | 21 | Total liabilities (Part X, line 26) | 129,611,755. | 131,136,061. |
| | 22 | Net assets or fund balances. Subtract line 21 from line 20 | 50,963,376. | 54,210,374. |
| | | | 78,648,379. | 76,925,687. |

Part II Signature Block

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

| | | | | | |
|-------------------------------|---|--|-------------------------|---|--------------------------|
| Sign Here | Signature of officer <p align="center">Jeremy Roberge, President & CEO</p> Type or print name and title | Date _____ | | | |
| Paid Preparer Use Only | Print/Type preparer's name Joseph R. Byrne | Preparer's signature Joseph R. Byrne | Date 08/07/20 | Check if self-employed <input type="checkbox"/> | PTIN P01289281 |
| | Firm's name ▶ Berry Dunn McNeil & Parker, LLC | | | Firm's EIN ▶ 01-0523282 | |
| | Firm's address ▶ P.O. Box 1100 Portland, ME 04104-1100 | | | Phone no. (207) 775-2387 | |

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission:
Huggins Hospital's mission is to empower the fulfillment of life through better health.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? [] Yes [X] No
If "Yes," describe these new services on Schedule O.

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

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

4a (Code:) (Expenses \$ 48,332,188. including grants of \$ 192,099.) (Revenue \$ 64,062,379.)
Huggins Hospital is a non-profit Critical Access Hospital that provides medical services to the region's year-round population of 30,000 residents and approximately 120,000 seasonal residents and visitors. Our services include primary care, inpatient care, intensive care, surgery, medical imaging and diagnostics, gynecology, orthopedics, pediatrics, cardiology, respiratory therapy, speech therapy, nutrition services, cardiac and physical rehabilitation, social services and emergency services.

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

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

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

4e Total program service expenses 48,332,188.

Part IV Checklist of Required Schedules

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

Part IV Checklist of Required Schedules (continued)

| | Yes | No |
|--|-----|----|
| 22 Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i> | | X |
| 23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i> | X | |
| 24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i> | X | |
| b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? | | X |
| c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? | | X |
| d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? | | X |
| 25a Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i> | | X |
| b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i> | | X |
| 26 Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If "Yes," complete Schedule L, Part II</i> | | X |
| 27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i> | | X |
| 28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions): | | |
| a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> | | X |
| b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> | | X |
| c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i> | | X |
| 29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> | | X |
| 30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> | | X |
| 31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> | | X |
| 32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> | | X |
| 33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> | | X |
| 34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i> | X | |
| 35a Did the organization have a controlled entity within the meaning of section 512(b)(13)? | X | |
| b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> | | X |
| 36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> | | X |
| 37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i> | | X |
| 38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? | X | |

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

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

| | Yes | No |
|---|-----|----|
| 1a Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable | | |
| b Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable | | |
| c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners? | X | |

Part V Statements Regarding Other IRS Filings and Tax Compliance (continued)

Table with columns for question number, description, and Yes/No checkboxes. Includes questions 2a through 16 regarding employee counts, tax returns, unrelated business income, foreign accounts, prohibited transactions, and charitable contributions.

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

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

Section A. Governing Body and Management

| | | Yes | No |
|-----------|--|-----|----|
| 1a | Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O. | | |
| | 1a 17 | | |
| b | Enter the number of voting members included in line 1a, above, who are independent | | |
| | 1b 13 | | |
| 2 | Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? | | X |
| 3 | Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person? | | X |
| 4 | Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? | | X |
| 5 | Did the organization become aware during the year of a significant diversion of the organization's assets? | | X |
| 6 | Did the organization have members or stockholders? | | X |
| 7a | Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body? | | X |
| b | Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? | | X |
| 8 | Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following: | | |
| a | The governing body? | X | |
| b | Each committee with authority to act on behalf of the governing body? | X | |
| 9 | Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O | | X |

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

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

Section C. Disclosure

- 17** List the states with which a copy of this Form 990 is required to be filed **NH**
- 18** Section 6104 requires an organization to make its Forms 1023 (1024 or 1024-A if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
 Own website Another's website Upon request Other (explain in Schedule O)
- 19** Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
- 20** State the name, address, and telephone number of the person who possesses the organization's books and records **▶**
Jeremy Roberge - (603) 569-7510
P.O. Box 912, Wolfeboro, NH 03894

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

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

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

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

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

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

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

| (A) Name and Title | (B) Average hours per week (list any hours for related organizations below line) | (C) Position (do not check more than one box, unless person is both an officer and a director/trustee) | | | | | | (D) Reportable compensation from the organization (W-2/1099-MISC) | (E) Reportable compensation from related organizations (W-2/1099-MISC) | (F) Estimated amount of other compensation from the organization and related organizations |
|--|---|---|-----------------------|---------|--------------|------------------------------|--------|--|---|---|
| | | Individual trustee or director | Institutional trustee | Officer | Key employee | Highest compensated employee | Former | | | |
| (1) John J. Daigneault, CPA Chairman | 1.00 0.00 | X | | X | | | | 0. | 0. | 0. |
| (2) Stephen Wainwright Vice Chairman | 1.00 0.00 | X | | X | | | | 0. | 0. | 0. |
| (3) Kathy Barnard Secretary | 1.00 0.00 | X | | X | | | | 0. | 0. | 0. |
| (4) Howie Knight Treasurer | 1.00 0.00 | X | | X | | | | 0. | 0. | 0. |
| (5) James Cubeddu, PA-C Assistant Treasurer | 20.00 0.00 | X | | X | | | | 114,497. | 0. | 10,802. |
| (6) Jeremy Roberge President & CEO | 40.00 1.00 | X | | X | | | | 283,681. | 0. | 26,678. |
| (7) Marcia Arsnow Trustee | 1.00 0.00 | X | | | | | | 0. | 0. | 0. |
| (8) David Booth Trustee | 1.00 0.00 | X | | | | | | 0. | 0. | 0. |
| (9) Judith Cole, APRN Trustee | 1.00 0.00 | X | | | | | | 0. | 0. | 0. |
| (10) Michael Gallup Trustee | 1.00 0.00 | X | | | | | | 0. | 0. | 0. |
| (11) Michael L'Ecuyer Trustee | 1.00 0.00 | X | | | | | | 0. | 0. | 0. |
| (12) Leslie MacLeod Trustee | 1.00 1.00 | X | | | | | | 0. | 0. | 0. |
| (13) William Marsh Trustee/Past Secretary | 1.00 1.00 | X | | | | | | 0. | 0. | 0. |
| (14) Joseph Pepe, MD Trustee | 1.00 49.00 | X | | | | | | 0. | 966,705. | 400,783. |
| (15) Corrine Smith, RN Trustee | 1.00 0.00 | X | | | | | | 0. | 0. | 0. |
| (16) Alex Walker, Esq. Trustee | 1.00 42.00 | X | | | | | | 0. | 605,080. | 212,505. |
| (17) George Walker, Esq. Trustee | 1.00 0.00 | X | | | | | | 0. | 0. | 0. |

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

| (A) Name and title | (B) Average hours per week (list any hours for related organizations below line) | (C) Position (do not check more than one box, unless person is both an officer and a director/trustee) | | | | | | (D) Reportable compensation from the organization (W-2/1099-MISC) | (E) Reportable compensation from related organizations (W-2/1099-MISC) | (F) Estimated amount of other compensation from the organization and related organizations |
|--|---|---|-----------------------|---------|--------------|------------------------------|------------|--|---|---|
| | | Individual trustee or director | Institutional trustee | Officer | Key employee | Highest compensated employee | Former | | | |
| (18) Don St. Germain Past Trustee | 1.00 0.00 | X | | | | | 0. | 0. | 0. | |
| (19) George Costello, MD Past Trustee | 30.00 0.00 | X | | | | | 319,988. | 0. | 31,053. | |
| (20) Henry Isaacson Past Sr. Dir. of Finance | 40.00 0.00 | | | X | | | 188,643. | 0. | 6,572. | |
| (21) John S. Boornazian Chief Medical Officer | 40.00 0.00 | | | X | | | 237,433. | 0. | 30,572. | |
| (22) William Barton General Surgeon | 40.00 0.00 | | | | X | | 284,175. | 0. | 12,483. | |
| (23) Thomas Molano General Surgeon | 40.00 0.00 | | | | X | | 329,472. | 0. | 20,357. | |
| (24) Michael Giovan Physician | 40.00 0.00 | | | | X | | 289,112. | 0. | 27,722. | |
| (25) Deborah Scott Hospitalist | 40.00 0.00 | | | | X | | 267,679. | 0. | 32,863. | |
| (26) Susan Dionne VP of Nursing | 40.00 0.00 | | | | X | | 155,771. | 0. | 7,349. | |
| 1b Sub-total | | | | | | | 2,470,451. | 1,571,785. | 819,739. | |
| c Total from continuation sheets to Part VII, Section A | | | | | | | 0. | 0. | 0. | |
| d Total (add lines 1b and 1c) | | | | | | | 2,470,451. | 1,571,785. | 819,739. | |

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **49**

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

Section B. Independent Contractors

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

| (A) Name and business address | (B) Description of services | (C) Compensation |
|--|--------------------------------|---------------------|
| NCM Management, Inc. 6 Lily Pond Rd., Gilford, NH 03249 | Construction | 1,513,922. |
| TeamHealth PO Box 634850, Cincinnati, OH 45263 | Contract Employment | 1,232,422. |
| Lacewood Group, Inc. PO Box 868, Moultonborough, NH 03254 | Contract Employment | 1,051,087. |
| Weatherby Locums, Inc. PO Box 972633, Dallas, TX 75397-2633 | Contract Employment | 939,677. |
| Comphealth Associates PO Box 972651, Dallas, TX 75397-2651 | Contract Employment | 643,141. |

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **30**

Part VIII Statement of Revenue

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

| | | | | (A) | (B) | (C) | (D) | |
|--|---|--|----------------------|---------------|------------------------------------|----------------------------|--|--|
| | | | | Total revenue | Related or exempt function revenue | Unrelated business revenue | Revenue excluded from tax under sections 512 - 514 | |
| Contributions, Gifts, Grants and Other Similar Amounts | 1 a Federated campaigns | 1a | | | | | | |
| | b Membership dues | 1b | | | | | | |
| | c Fundraising events | 1c | 79,189. | | | | | |
| | d Related organizations | 1d | | | | | | |
| | e Government grants (contributions) | 1e | | | | | | |
| | f All other contributions, gifts, grants, and similar amounts not included above | 1f | 530,646. | | | | | |
| | g Noncash contributions included in lines 1a-1f: \$ | | | | | | | |
| | h Total. Add lines 1a-1f | | | 609,835. | | | | |
| Program Service Revenue | 2 a Patient Service Revenue | Business Code | 622100 | 122,541,010. | 122,541,010. | | | |
| | b Miscellaneous | | 622100 | 4,783,898. | 2,289,491. | | 2,494,407. | |
| | c Provision for Bad Debts | | 622100 | -3,120,778. | -3,120,778. | | | |
| | d Contractual/Char. Adj. | | 622100 | -60,141,751. | -60,141,751. | | | |
| | e | | | | | | | |
| | f All other program service revenue | | | | | | | |
| | g Total. Add lines 2a-2f | | | 64,062,379. | | | | |
| Other Revenue | 3 Investment income (including dividends, interest, and other similar amounts) | | | 1,035,620. | | | 1,035,620. | |
| | 4 Income from investment of tax-exempt bond proceeds | | | | | | | |
| | 5 Royalties | | | | | | | |
| | 6 a Gross rents | (i) Real | | 120,663. | | | | |
| | | (ii) Personal | | | | | | |
| | | Less: rental expenses | | 0. | | | | |
| | c Rental income or (loss) | | 120,663. | | | | | |
| | d Net rental income or (loss) | | | 120,663. | | | 120,663. | |
| | 7 a Gross amount from sales of assets other than inventory | (i) Securities | | 40,059,412. | | | | |
| | | (ii) Other | | | | | | |
| | | Less: cost or other basis and sales expenses | | 35,385,497. | | | | |
| | | c Gain or (loss) | | 4,673,915. | | | | |
| | d Net gain or (loss) | | | 4,673,915. | | | 4,673,915. | |
| | 8 a Gross income from fundraising events (not including \$ 79,189. of contributions reported on line 1c). See Part IV, line 18 | a | | 11,098. | | | | |
| b Less: direct expenses | | | 34,922. | | | | | |
| c Net income or (loss) from fundraising events | | | | -23,824. | | | -23,824. | |
| 9 a Gross income from gaming activities. See Part IV, line 19 | a | | | | | | | |
| | b Less: direct expenses | | | | | | | |
| | c Net income or (loss) from gaming activities | | | | | | | |
| 10 a Gross sales of inventory, less returns and allowances | a | | | | | | | |
| | b Less: cost of goods sold | | | | | | | |
| | c Net income or (loss) from sales of inventory | | | | | | | |
| Miscellaneous Revenue | | | Business Code | | | | | |
| 11 a | | | | | | | | |
| | b | | | | | | | |
| | c | | | | | | | |
| | d All other revenue | | | | | | | |
| e Total. Add lines 11a-11d | | | | | | | | |
| 12 Total revenue. See instructions | | | | 70,478,588. | 61,567,972. | 0. | 8,300,781. | |

Part IX Statement of Functional Expenses

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

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

| Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII. | (A) Total expenses | (B) Program service expenses | (C) Management and general expenses | (D) Fundraising expenses |
|---|-----------------------|---------------------------------|--|-----------------------------|
| 1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21 | 192,099. | 192,099. | | |
| 2 Grants and other assistance to domestic individuals. See Part IV, line 22 | | | | |
| 3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16 | | | | |
| 4 Benefits paid to or for members | | | | |
| 5 Compensation of current officers, directors, trustees, and key employees | 1,111,255. | 696,721. | 414,534. | |
| 6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) | | | | |
| 7 Other salaries and wages | 27,992,948. | 20,399,873. | 7,512,454. | 80,621. |
| 8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions) | 799,900. | 578,468. | 218,430. | 3,002. |
| 9 Other employee benefits | 4,790,679. | 3,401,382. | 1,341,390. | 47,907. |
| 10 Payroll taxes | 1,853,924. | 1,354,691. | 493,589. | 5,644. |
| 11 Fees for services (non-employees): | | | | |
| a Management | 753,492. | 405,134. | 348,358. | |
| b Legal | 91,411. | | 91,411. | |
| c Accounting | 65,409. | | 65,409. | |
| d Lobbying | | | | |
| e Professional fundraising services. See Part IV, line 17 | | | | |
| f Investment management fees | | | | |
| g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.) | 8,582,557. | 7,934,959. | 488,244. | 159,354. |
| 12 Advertising and promotion | 163,568. | 50,206. | 50,206. | 63,156. |
| 13 Office expenses | 1,505,594. | 905,141. | 600,453. | |
| 14 Information technology | 337,337. | 201,560. | 135,777. | |
| 15 Royalties | | | | |
| 16 Occupancy | 1,892,890. | 1,097,876. | 795,014. | |
| 17 Travel | 74,679. | 36,579. | 36,579. | 1,521. |
| 18 Payments of travel or entertainment expenses for any federal, state, or local public officials | | | | |
| 19 Conferences, conventions, and meetings | 38,798. | 19,399. | 19,399. | |
| 20 Interest | 984,914. | 571,250. | 413,664. | |
| 21 Payments to affiliates | | | | |
| 22 Depreciation, depletion, and amortization | 4,732,129. | 2,744,635. | 1,987,494. | |
| 23 Insurance | 808,049. | 390,427. | 417,622. | |
| 24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.) | | | | |
| a Medical Supplies | 5,067,027. | 4,248,242. | 818,785. | |
| b Medicaid Provider Tax | 2,453,191. | 2,453,191. | | |
| c Miscellaneous | 942,889. | 650,355. | 292,534. | |
| d | | | | |
| e All other expenses | | | | |
| 25 Total functional expenses. Add lines 1 through 24e | 65,234,739. | 48,332,188. | 16,541,346. | 361,205. |
| 26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. | | | | |
| Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720) | | | | |

Part X Balance Sheet

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

| | | (A) | | (B) | |
|---|--|------------------------|--------------|--------------|-------------|
| | | Beginning of year | | End of year | |
| Assets | 1 Cash - non-interest-bearing | 6,519,784. | 1 | 6,742,534. | |
| | 2 Savings and temporary cash investments | 5,859,899. | 2 | 7,465,472. | |
| | 3 Pledges and grants receivable, net | | 3 | | |
| | 4 Accounts receivable, net | 10,882,780. | 4 | 10,292,065. | |
| | 5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L | | 5 | | |
| | 6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instr). Complete Part II of Sch L | | 6 | | |
| | 7 Notes and loans receivable, net | | 7 | | |
| | 8 Inventories for sale or use | 511,591. | 8 | 573,386. | |
| | 9 Prepaid expenses and deferred charges | 298,079. | 9 | 514,372. | |
| | 10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D | 10a 92,482,421. | | | |
| | b Less: accumulated depreciation | 10b 46,900,123. | 45,583,019. | 10c | 45,582,298. |
| | 11 Investments - publicly traded securities | 51,652,020. | 11 | 51,963,981. | |
| | 12 Investments - other securities. See Part IV, line 11 | | 12 | | |
| | 13 Investments - program-related. See Part IV, line 11 | | 13 | | |
| | 14 Intangible assets | | 14 | | |
| | 15 Other assets. See Part IV, line 11 | 8,304,583. | 15 | 8,001,953. | |
| 16 Total assets. Add lines 1 through 15 (must equal line 34) | 129,611,755. | 16 | 131,136,061. | | |
| Liabilities | 17 Accounts payable and accrued expenses | 5,425,489. | 17 | 7,027,985. | |
| | 18 Grants payable | | 18 | | |
| | 19 Deferred revenue | | 19 | | |
| | 20 Tax-exempt bond liabilities | 20,652,506. | 20 | 20,132,685. | |
| | 21 Escrow or custodial account liability. Complete Part IV of Schedule D | | 21 | | |
| | 22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L | | 22 | | |
| | 23 Secured mortgages and notes payable to unrelated third parties | | 23 | | |
| | 24 Unsecured notes and loans payable to unrelated third parties | | 24 | | |
| | 25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D | 24,885,381. | 25 | 27,049,704. | |
| | 26 Total liabilities. Add lines 17 through 25 | 50,963,376. | 26 | 54,210,374. | |
| Net Assets or Fund Balances | Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> X and complete lines 27 through 29, and lines 33 and 34. | | | | |
| | 27 Unrestricted net assets | 59,297,868. | 27 | 58,262,448. | |
| | 28 Temporarily restricted net assets | 9,485,054. | 28 | 9,099,540. | |
| | 29 Permanently restricted net assets | 9,865,457. | 29 | 9,563,699. | |
| | Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34. | | | | |
| | 30 Capital stock or trust principal, or current funds | | 30 | | |
| | 31 Paid-in or capital surplus, or land, building, or equipment fund | | 31 | | |
| | 32 Retained earnings, endowment, accumulated income, or other funds | | 32 | | |
| | 33 Total net assets or fund balances | 78,648,379. | 33 | 76,925,687. | |
| | 34 Total liabilities and net assets/fund balances | 129,611,755. | 34 | 131,136,061. | |

Part XI Reconciliation of Net Assets

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

| | | | |
|----|--|----|-------------|
| 1 | Total revenue (must equal Part VIII, column (A), line 12) | 1 | 70,478,588. |
| 2 | Total expenses (must equal Part IX, column (A), line 25) | 2 | 65,234,739. |
| 3 | Revenue less expenses. Subtract line 2 from line 1 | 3 | 5,243,849. |
| 4 | Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) | 4 | 78,648,379. |
| 5 | Net unrealized gains (losses) on investments | 5 | -4,714,691. |
| 6 | Donated services and use of facilities | 6 | |
| 7 | Investment expenses | 7 | |
| 8 | Prior period adjustments | 8 | |
| 9 | Other changes in net assets or fund balances (explain in Schedule O) | 9 | -2,251,850. |
| 10 | Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B)) | 10 | 76,925,687. |

Part XII Financial Statements and Reporting

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

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

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2018

Open to Public Inspection

Name of the organization **Huggins Hospital** Employer identification number **02-0223332**

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

The organization is not a private foundation because it is: (For lines 1 through 12, check only one box.)

- 1 A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2 A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E (Form 990 or 990-EZ).)
- 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state: _____
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
- 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 8 A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 9 An agricultural research organization described in **section 170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land-grant college of agriculture (see instructions). Enter the name, city, and state of the college or university: _____
- 10 An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III.)
- 11 An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
- 12 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2)**. See **section 509(a)(3)**. Check the box in lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g.
 - a **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**
 - b **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**
 - c **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**
 - d **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**
 - e Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.
 - f Enter the number of supported organizations
 - g Provide the following information about the supported organization(s).

| (i) Name of supported organization | (ii) EIN | (iii) Type of organization (described on lines 1-10 above (see instructions)) | (iv) Is the organization listed in your governing document? | | (v) Amount of monetary support (see instructions) | (vi) Amount of other support (see instructions) |
|------------------------------------|----------|---|---|----|---|---|
| | | | Yes | No | | |
| | | | | | | |
| | | | | | | |
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| | | | | | | |
| Total | | | | | | |

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

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

Section A. Public Support

| Calendar year (or fiscal year beginning in) ► | (a) 2014 | (b) 2015 | (c) 2016 | (d) 2017 | (e) 2018 | (f) Total |
|--|----------|----------|----------|----------|----------|-----------|
| 1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") | | | | | | |
| 2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf | | | | | | |
| 3 The value of services or facilities furnished by a governmental unit to the organization without charge ... | | | | | | |
| 4 Total. Add lines 1 through 3 | | | | | | |
| 5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f) | | | | | | |
| 6 Public support. Subtract line 5 from line 4. | | | | | | |

Section B. Total Support

| Calendar year (or fiscal year beginning in) ► | (a) 2014 | (b) 2015 | (c) 2016 | (d) 2017 | (e) 2018 | (f) Total |
|--|----------|----------|----------|----------|----------|--------------------------|
| 7 Amounts from line 4 | | | | | | |
| 8 Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources ... | | | | | | |
| 9 Net income from unrelated business activities, whether or not the business is regularly carried on ... | | | | | | |
| 10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.) | | | | | | |
| 11 Total support. Add lines 7 through 10 | | | | | | |
| 12 Gross receipts from related activities, etc. (see instructions) | | | | | 12 | |
| 13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here | | | | | | <input type="checkbox"/> |

Section C. Computation of Public Support Percentage

| | | |
|---|----|--------------------------|
| 14 Public support percentage for 2018 (line 6, column (f) divided by line 11, column (f)) | 14 | % |
| 15 Public support percentage from 2017 Schedule A, Part II, line 14 | 15 | % |
| 16a 33 1/3% support test - 2018. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization | | <input type="checkbox"/> |
| b 33 1/3% support test - 2017. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization | | <input type="checkbox"/> |
| 17a 10% -facts-and-circumstances test - 2018. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization | | <input type="checkbox"/> |
| b 10% -facts-and-circumstances test - 2017. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization | | <input type="checkbox"/> |
| 18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions | | <input type="checkbox"/> |

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

(Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

| Calendar year (or fiscal year beginning in) ► | (a) 2014 | (b) 2015 | (c) 2016 | (d) 2017 | (e) 2018 | (f) Total |
|---|----------|----------|----------|----------|----------|-----------|
| 1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") | | | | | | |
| 2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose | | | | | | |
| 3 Gross receipts from activities that are not an unrelated trade or business under section 513 | | | | | | |
| 4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf | | | | | | |
| 5 The value of services or facilities furnished by a governmental unit to the organization without charge | | | | | | |
| 6 Total. Add lines 1 through 5 | | | | | | |
| 7a Amounts included on lines 1, 2, and 3 received from disqualified persons | | | | | | |
| b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year | | | | | | |
| c Add lines 7a and 7b | | | | | | |
| 8 Public support. (Subtract line 7c from line 6.) | | | | | | |

Section B. Total Support

| Calendar year (or fiscal year beginning in) ► | (a) 2014 | (b) 2015 | (c) 2016 | (d) 2017 | (e) 2018 | (f) Total |
|--|----------|----------|----------|----------|----------|-----------|
| 9 Amounts from line 6 | | | | | | |
| 10a Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources | | | | | | |
| b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 | | | | | | |
| c Add lines 10a and 10b | | | | | | |
| 11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on | | | | | | |
| 12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.) | | | | | | |
| 13 Total support. (Add lines 9, 10c, 11, and 12.) | | | | | | |

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

Section C. Computation of Public Support Percentage

| | | |
|---|-----------|---|
| 15 Public support percentage for 2018 (line 8, column (f), divided by line 13, column (f)) | 15 | % |
| 16 Public support percentage from 2017 Schedule A, Part III, line 15 | 16 | % |

Section D. Computation of Investment Income Percentage

| | | |
|--|-----------|---|
| 17 Investment income percentage for 2018 (line 10c, column (f), divided by line 13, column (f)) | 17 | % |
| 18 Investment income percentage from 2017 Schedule A, Part III, line 17 | 18 | % |

19a 33 1/3% support tests - 2018. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

b 33 1/3% support tests - 2017. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

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

Part IV Supporting Organizations

(Complete only if you checked a box in line 12 on Part I. If you checked 12a of Part I, complete Sections A and B. If you checked 12b of Part I, complete Sections A and C. If you checked 12c of Part I, complete Sections A, D, and E. If you checked 12d of Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

| | Yes | No |
|--|-----|----|
| 1 Are all of the organization's supported organizations listed by name in the organization's governing documents? <i>If "No," describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.</i> | | |
| 2 Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? <i>If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).</i> | | |
| 3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? <i>If "Yes," answer (b) and (c) below.</i> | | |
| b Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? <i>If "Yes," describe in Part VI when and how the organization made the determination.</i> | | |
| c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? <i>If "Yes," explain in Part VI what controls the organization put in place to ensure such use.</i> | | |
| 4a Was any supported organization not organized in the United States ("foreign supported organization")? <i>If "Yes," and if you checked 12a or 12b in Part I, answer (b) and (c) below.</i> | | |
| b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? <i>If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.</i> | | |
| c Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? <i>If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.</i> | | |
| 5a Did the organization add, substitute, or remove any supported organizations during the tax year? <i>If "Yes," answer (b) and (c) below (if applicable). Also, provide detail in Part VI, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document).</i> | | |
| b Type I or Type II only. Was any added or substituted supported organization part of a class already designated in the organization's organizing document? | | |
| c Substitutions only. Was the substitution the result of an event beyond the organization's control? | | |
| 6 Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? <i>If "Yes," provide detail in Part VI.</i> | | |
| 7 Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (as defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i> | | |
| 8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i> | | |
| 9a Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? <i>If "Yes," provide detail in Part VI.</i> | | |
| b Did one or more disqualified persons (as defined in line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? <i>If "Yes," provide detail in Part VI.</i> | | |
| c Did a disqualified person (as defined in line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? <i>If "Yes," provide detail in Part VI.</i> | | |
| 10a Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? <i>If "Yes," answer 10b below.</i> | | |
| b Did the organization have any excess business holdings in the tax year? <i>(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)</i> | | |

Part IV Supporting Organizations (continued)

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

Section B. Type I Supporting Organizations

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

Section C. Type II Supporting Organizations

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

Section D. All Type III Supporting Organizations

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

Section E. Type III Functionally Integrated Supporting Organizations

| | | |
|---|--|--|
| 1 Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions). | | |
| a <input type="checkbox"/> The organization satisfied the Activities Test. Complete line 2 below. | | |
| b <input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete line 3 below. | | |
| c <input type="checkbox"/> The organization supported a governmental entity. Describe in Part VI how you supported a government entity (see instructions). | | |
| 2 Activities Test. Answer (a) and (b) below. | | |
| a Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? If "Yes," then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities. | | |
| b Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement. | | |
| 3 Parent of Supported Organizations. Answer (a) and (b) below. | | |
| a Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? Provide details in Part VI . | | |
| b Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? If "Yes," describe in Part VI the role played by the organization in this regard. | | |

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

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

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

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

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

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

| Section D - Distributions | Current Year |
|---|--------------|
| 1 Amounts paid to supported organizations to accomplish exempt purposes | |
| 2 Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity | |
| 3 Administrative expenses paid to accomplish exempt purposes of supported organizations | |
| 4 Amounts paid to acquire exempt-use assets | |
| 5 Qualified set-aside amounts (prior IRS approval required) | |
| 6 Other distributions (describe in Part VI). See instructions. | |
| 7 Total annual distributions. Add lines 1 through 6. | |
| 8 Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI). See instructions. | |
| 9 Distributable amount for 2018 from Section C, line 6 | |
| 10 Line 8 amount divided by line 9 amount | |

| Section E - Distribution Allocations (see instructions) | (i) Excess Distributions | (ii) Underdistributions Pre-2018 | (iii) Distributable Amount for 2018 |
|--|-----------------------------|--|---|
| 1 Distributable amount for 2018 from Section C, line 6 | | | |
| 2 Underdistributions, if any, for years prior to 2018 (reasonable cause required- explain in Part VI). See instructions. | | | |
| 3 Excess distributions carryover, if any, to 2018 | | | |
| a From 2013 | | | |
| b From 2014 | | | |
| c From 2015 | | | |
| d From 2016 | | | |
| e From 2017 | | | |
| f Total of lines 3a through e | | | |
| g Applied to underdistributions of prior years | | | |
| h Applied to 2018 distributable amount | | | |
| i Carryover from 2013 not applied (see instructions) | | | |
| j Remainder. Subtract lines 3g, 3h, and 3i from 3f. | | | |
| 4 Distributions for 2018 from Section D, line 7: \$ | | | |
| a Applied to underdistributions of prior years | | | |
| b Applied to 2018 distributable amount | | | |
| c Remainder. Subtract lines 4a and 4b from 4. | | | |
| 5 Remaining underdistributions for years prior to 2018, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, explain in Part VI . See instructions. | | | |
| 6 Remaining underdistributions for 2018. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in Part VI . See instructions. | | | |
| 7 Excess distributions carryover to 2019. Add lines 3j and 4c. | | | |
| 8 Breakdown of line 7: | | | |
| a Excess from 2014 | | | |
| b Excess from 2015 | | | |
| c Excess from 2016 | | | |
| d Excess from 2017 | | | |
| e Excess from 2018 | | | |

Schedule A (Form 990 or 990-EZ) 2018

Part VI

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

Horizontal lines for supplemental information.

Schedule B

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

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.
▶ Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2018

Name of the organization

Huggins Hospital

Employer identification number

02-0223332

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

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

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

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

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

501(c)(3) taxable private foundation

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

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

General Rule

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

Special Rules

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

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

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

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

| | |
|---|---|
| Name of organization Huggins Hospital | Employer identification number 02-0223332 |
|---|---|

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

| (a) No. | (b) Name, address, and ZIP + 4 | (c) Total contributions | (d) Type of contribution |
|------------|-----------------------------------|----------------------------|---|
| 1 | <hr/> <hr/> <hr/> | \$ 12,536. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.) |
| 2 | <hr/> <hr/> <hr/> | \$ 8,000. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.) |
| 3 | <hr/> <hr/> <hr/> | \$ 256,825. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.) |
| 4 | <hr/> <hr/> <hr/> | \$ 15,000. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.) |
| 5 | <hr/> <hr/> <hr/> | \$ 13,708. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.) |
| 6 | <hr/> <hr/> <hr/> | \$ 10,000. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.) |

| | |
|---|---|
| Name of organization Huggins Hospital | Employer identification number 02-0223332 |
|---|---|

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

| (a) No. | (b) Name, address, and ZIP + 4 | (c) Total contributions | (d) Type of contribution |
|-------------------|-----------------------------------|----------------------------|---|
| 7 | <hr/> <hr/> <hr/> | \$ 21,699. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.) |
| 8 | <hr/> <hr/> <hr/> | \$ 10,000. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.) |
| 9 | <hr/> <hr/> <hr/> | \$ 5,000. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.) |
| 10 | <hr/> <hr/> <hr/> | \$ 5,000. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.) |
| 11 | <hr/> <hr/> <hr/> | \$ 12,000. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.) |
| <hr/> <hr/> <hr/> | <hr/> <hr/> <hr/> | \$ _____ | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.) |

| | |
|---|---|
| Name of organization Huggins Hospital | Employer identification number 02-0223332 |
|---|---|

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

| (a) No. from Part I | (b) Description of noncash property given | (c) FMV (or estimate) (See instructions.) | (d) Date received |
|------------------------------|--|---|----------------------|
| | | \$ _____ | _____ |
| | | \$ _____ | _____ |
| | | \$ _____ | _____ |
| | | \$ _____ | _____ |
| | | \$ _____ | _____ |
| | | \$ _____ | _____ |
| | | \$ _____ | _____ |

| | |
|---|---|
| Name of organization Huggins Hospital | Employer identification number 02-0223332 |
|---|---|

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

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

SCHEDULE C
(Form 990 or 990-EZ)

Political Campaign and Lobbying Activities

OMB No. 1545-0047

2018

Department of the Treasury
Internal Revenue Service

For Organizations Exempt From Income Tax Under section 501(c) and section 527
▶ Complete if the organization is described below. ▶ Attach to Form 990 or Form 990-EZ.
▶ Go to www.irs.gov/Form990 for instructions and the latest information.

Open to Public Inspection

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

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

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

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

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

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

| | |
|---|---|
| Name of organization Huggins Hospital | Employer identification number 02-0223332 |
|---|---|

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

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

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

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

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

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

| (a) Name | (b) Address | (c) EIN | (d) Amount paid from filing organization's funds. If none, enter -0-. | (e) Amount of political contributions received and promptly and directly delivered to a separate political organization. If none, enter -0-. |
|----------|-------------|---------|---|--|
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For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ. Schedule C (Form 990 or 990-EZ) 2018

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

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

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

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

| Lobbying Expenditures During 4-Year Averaging Period | | | | | |
|---|----------|----------|----------|----------|-----------|
| Calendar year (or fiscal year beginning in) | (a) 2015 | (b) 2016 | (c) 2017 | (d) 2018 | (e) Total |
| 2a Lobbying nontaxable amount | | | | | |
| b Lobbying ceiling amount (150% of line 2a, column(e)) | | | | | |
| c Total lobbying expenditures | | | | | |
| d Grassroots nontaxable amount | | | | | |
| e Grassroots ceiling amount (150% of line 2d, column (e)) | | | | | |
| f Grassroots lobbying expenditures | | | | | |

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

| | (a) | | (b) |
|---|-----|----|---------|
| | Yes | No | Amount |
| <i>For each "Yes," response on lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.</i> | | | |
| 1 During the year, did the filing organization attempt to influence foreign, national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of: | | | |
| a Volunteers? | | X | |
| b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)? | | X | |
| c Media advertisements? | | X | |
| d Mailings to members, legislators, or the public? | | X | |
| e Publications, or published or broadcast statements? | | X | |
| f Grants to other organizations for lobbying purposes? | | X | |
| g Direct contact with legislators, their staffs, government officials, or a legislative body? | | X | |
| h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means? | | X | |
| i Other activities? | X | | 11,439. |
| j Total. Add lines 1c through 1i | | | 11,439. |
| 2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)? | | X | |
| b If "Yes," enter the amount of any tax incurred under section 4912 | | | |
| c If "Yes," enter the amount of any tax incurred by organization managers under section 4912 | | | |
| d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year? | | | |

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

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

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

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

Part IV Supplemental Information

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

Part II-B, Line 1, Lobbying Activities:

Huggins Hospital is a member of the NH Hospital Association and the American Hospital Association. A portion of the dues paid to these organizations is available for lobbying expenditures on behalf of Huggins and other organizations in furtherance of their exempt purposes. Huggins Hospital does not directly perform any lobbying

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

▶ **Attach to Form 990.**

▶ **Go to www.irs.gov/Form990 for instructions and the latest information.**

OMB No. 1545-0047

2018

Open to Public Inspection

Name of the organization **Huggins Hospital** Employer identification number **02-0223332**

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

| | (a) Donor advised funds | (b) Funds and other accounts |
|---|-------------------------|--|
| 1 Total number at end of year | | |
| 2 Aggregate value of contributions to (during year) | | |
| 3 Aggregate value of grants from (during year) | | |
| 4 Aggregate value at end of year | | |
| 5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? | | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? | | <input type="checkbox"/> Yes <input type="checkbox"/> No |

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

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

Preservation of land for public use (e.g., recreation or education) Preservation of a historically important land area

Protection of natural habitat Preservation of a certified historic structure

Preservation of open space

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

| | Held at the End of the Tax Year |
|--|---------------------------------|
| a Total number of conservation easements | 2a |
| b Total acreage restricted by conservation easements | 2b |
| c Number of conservation easements on a certified historic structure included in (a) | 2c |
| d Number of conservation easements included in (c) acquired after 7/25/06, and not on a historic structure listed in the National Register | 2d |

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

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

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

Yes No

6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ _____

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

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

Yes No

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

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

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

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

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

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

▶ \$ _____

(ii) Assets included in Form 990, Part X

▶ \$ _____

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

a Revenue included on Form 990, Part VIII, line 1

▶ \$ _____

b Assets included in Form 990, Part X

▶ \$ _____

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

Schedule D (Form 990) 2018

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

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

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

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

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

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

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

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

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

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

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

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

| | (a) Current year | (b) Prior year | (c) Two years back | (d) Three years back | (e) Four years back |
|--|------------------|----------------|--------------------|----------------------|---------------------|
| 1a Beginning of year balance | 11,989,038. | 11,550,011. | 10,812,980. | 10,583,678. | 11,267,269. |
| b Contributions | | | | | |
| c Net investment earnings, gains, and losses | 169,919. | 1,003,027. | 1,301,031. | 793,302. | -131,591. |
| d Grants or scholarships | | | | | |
| e Other expenditures for facilities and programs | 564,000. | 564,000. | 564,000. | 564,000. | 552,000. |
| f Administrative expenses | | | | | |
| g End of year balance | 11,594,957. | 11,989,038. | 11,550,011. | 10,812,980. | 10,583,678. |

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

- a Board designated or quasi-endowment .00 %
- b Permanent endowment 30.27 %
- c Temporarily restricted endowment 69.73 %

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

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

| | Yes | No |
|-----------------------------|-----|----|
| (i) unrelated organizations | | X |
| (ii) related organizations | | X |

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

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

Part VI Land, Buildings, and Equipment.

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

| Description of property | (a) Cost or other basis (investment) | (b) Cost or other basis (other) | (c) Accumulated depreciation | (d) Book value |
|--|--------------------------------------|---------------------------------|------------------------------|----------------|
| 1a Land | | 1,638,476. | | 1,638,476. |
| b Buildings | | 54,452,210. | 28,101,128. | 26,351,082. |
| c Leasehold improvements | | | | |
| d Equipment | | 26,074,443. | 15,476,457. | 10,597,986. |
| e Other | | 10,317,292. | 3,322,538. | 6,994,754. |
| Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.) | | | | 45,582,298. |

Part VII Investments - Other Securities.

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

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

Part VIII Investments - Program Related.

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

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

Part IX Other Assets.

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

| (a) Description | (b) Book value |
|---|----------------|
| (1) Due from Subsidiary | 700,000. |
| (2) Cash Surrender Value Life Insurance | 1,248,266. |
| (3) Beneficial Interest in Perpetual Trust | 6,053,687. |
| (4) | |
| (5) | |
| (6) | |
| (7) | |
| (8) | |
| (9) | |
| Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶ | 8,001,953. |

Part X Other Liabilities.

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

| 1. (a) Description of liability | (b) Book value |
|---|----------------|
| (1) Federal income taxes | |
| (2) Interest Rate Swap | 3,193,584. |
| (3) Estimated Third-Party Payor | |
| (4) Settlements | 23,856,120. |
| (5) | |
| (6) | |
| (7) | |
| (8) | |
| (9) | |
| Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶ | 27,049,704. |

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

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

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

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

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

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

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

Part XIII Supplemental Information.

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

Part V, line 4:

The intended use of the endowment fund is to support health care services including indigent care, health education, adult daycare as well as capital improvements and acquisitions.

**SCHEDULE F
(Form 990)**

Department of the Treasury
Internal Revenue Service

Statement of Activities Outside the United States

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 14b, 15, or 16.

▶ Attach to Form 990.

▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2018

Open to Public Inspection

Name of the organization

Employer identification number

Huggins Hospital

02-0223332

Part I General Information on Activities Outside the United States. Complete if the organization answered "Yes" on Form 990, Part IV, line 14b.

1 For grantmakers. Does the organization maintain records to substantiate the amount of its grants and other assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? Yes No

2 For grantmakers. Describe in Part V the organization's procedures for monitoring the use of its grants and other assistance outside the United States.

3 Activities per Region. (The following Part I, line 3 table can be duplicated if additional space is needed.)

| (a) Region | (b) Number of offices in the region | (c) Number of employees, agents, and independent contractors in the region | (d) Activities conducted in the region (by type) (such as, fundraising, program services, investments, grants to recipients located in the region) | (e) If activity listed in (d) is a program service, describe specific type of service(s) in the region | (f) Total expenditures for and investments in the region |
|--|-------------------------------------|--|--|--|--|
| Central America and the Caribbean - Antigua & Barbuda, Aruba, Bahamas, | 0 | 0 | Investments | | 947,100. |
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| 3 a Subtotal | 0 | 0 | | | 947,100. |
| b Total from continuation sheets to Part I | 0 | 0 | | | 0. |
| c Totals (add lines 3a and 3b) | 0 | 0 | | | 947,100. |

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

Schedule F (Form 990) 2018

Part IV Foreign Forms

- 1 Was the organization a U.S. transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926, Return by a U.S. Transferor of Property to a Foreign Corporation (see Instructions for Form 926)* Yes No

- 2 Did the organization have an interest in a foreign trust during the tax year? *If "Yes," the organization may be required to separately file Form 3520, Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts, and/or Form 3520-A, Annual Information Return of Foreign Trust With a U.S. Owner (see Instructions for Forms 3520 and 3520-A; don't file with Form 990)* Yes No

- 3 Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U.S. Persons With Respect To Certain Foreign Corporations (see Instructions for Form 5471)* Yes No

- 4 Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund (see Instructions for Form 8621)* Yes No

- 5 Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships (see Instructions for Form 8865)* Yes No

- 6 Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to separately file Form 5713, International Boycott Report (see Instructions for Form 5713; don't file with Form 990)* Yes No

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

| | | (a) Event #1 | (b) Event #2 | (c) Other events | (d) Total events (add col. (a) through col. (c)) |
|-----------------|----|--|----------------------|------------------------|--|
| | | Golf Tournament (event type) | Gala (event type) | None (total number) | |
| Revenue | 1 | Gross receipts | 47,098. | 43,189. | 90,287. |
| | 2 | Less: Contributions | 36,000. | 43,189. | 79,189. |
| | 3 | Gross income (line 1 minus line 2) | 11,098. | | 11,098. |
| Direct Expenses | 4 | Cash prizes | | | |
| | 5 | Noncash prizes | 1,560. | 300. | 1,860. |
| | 6 | Rent/facility costs | 5,794. | 8,675. | 14,469. |
| | 7 | Food and beverages | 6,102. | 3,487. | 9,589. |
| | 8 | Entertainment | | 850. | 850. |
| | 9 | Other direct expenses | 4,661. | 3,493. | 8,154. |
| | 10 | Direct expense summary. Add lines 4 through 9 in column (d) | | | 34,922. |
| | 11 | Net income summary. Subtract line 10 from line 3, column (d) | | | -23,824. |

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

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

9 Enter the state(s) in which the organization conducts gaming activities: _____
 a Is the organization licensed to conduct gaming activities in each of these states? Yes No
 b If "No," explain: _____

10a Were any of the organization's gaming licenses revoked, suspended, or terminated during the tax year? Yes No
 b If "Yes," explain: _____

**SCHEDULE H
(Form 990)**

Hospitals

OMB No. 1545-0047

2018

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

- ▶ Complete if the organization answered "Yes" on Form 990, Part IV, question 20.
- ▶ Attach to Form 990.
- ▶ Go to www.irs.gov/Form990 for instructions and the latest information.

Name of the organization **Huggins Hospital** Employer identification number **02-0223332**

Part I Financial Assistance and Certain Other Community Benefits at Cost

| | Yes | No |
|---|-------------------------------------|-------------------------------------|
| 1a Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a | <input checked="" type="checkbox"/> | |
| b If "Yes," was it a written policy? | <input checked="" type="checkbox"/> | |
| 2 If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year. <input type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> Generally tailored to individual hospital facilities | | |
| 3 Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year. | | |
| a Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care: <input type="checkbox"/> 100% <input type="checkbox"/> 150% <input type="checkbox"/> 200% <input checked="" type="checkbox"/> Other <u>125</u> % | <input checked="" type="checkbox"/> | |
| b Did the organization use FPG as a factor in determining eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care: <input checked="" type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input type="checkbox"/> Other _____ % | <input checked="" type="checkbox"/> | |
| c If the organization used factors other than FPG in determining eligibility, describe in Part VI the criteria used for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care. | | |
| 4 Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"? | <input checked="" type="checkbox"/> | |
| 5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year? | <input checked="" type="checkbox"/> | |
| b If "Yes," did the organization's financial assistance expenses exceed the budgeted amount? | | <input checked="" type="checkbox"/> |
| c If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care? | | |
| 6a Did the organization prepare a community benefit report during the tax year? | <input checked="" type="checkbox"/> | |
| b If "Yes," did the organization make it available to the public? | <input checked="" type="checkbox"/> | |

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

7 Financial Assistance and Certain Other Community Benefits at Cost

| | (a) Number of activities or programs (optional) | (b) Persons served (optional) | (c) Total community benefit expense | (d) Direct offsetting revenue | (e) Net community benefit expense | (f) Percent of total expense |
|--|---|-------------------------------|-------------------------------------|-------------------------------|-----------------------------------|------------------------------|
| Financial Assistance and Means-Tested Government Programs | | | | | | |
| a Financial Assistance at cost (from Worksheet 1) | | | 784,851. | 217,742. | 567,109. | .87% |
| b Medicaid (from Worksheet 3, column a) | | | 9,214,027. | 7,857,726. | 1,356,301. | 2.08% |
| c Costs of other means-tested government programs (from Worksheet 3, column b) | | | | | | |
| d Total. Financial Assistance and Means-Tested Government Programs | | | 9,998,878. | 8,075,468. | 1,923,410. | 2.95% |
| Other Benefits | | | | | | |
| e Community health improvement services and community benefit operations (from Worksheet 4) | | | 596,136. | | 596,136. | .91% |
| f Health professions education (from Worksheet 5) | | | 379,922. | | 379,922. | .58% |
| g Subsidized health services (from Worksheet 6) | | | 11,891,917. | 7,852,259. | 4,039,658. | 6.19% |
| h Research (from Worksheet 7) | | | | | | |
| i Cash and in-kind contributions for community benefit (from Worksheet 8) | | | 287,968. | | 287,968. | .44% |
| j Total. Other Benefits | | | 13,155,943. | 7,852,259. | 5,303,684. | 8.12% |
| k Total. Add lines 7d and 7j | | | 23,154,821. | 15,927,727. | 7,227,094. | 11.07% |

Part V Facility Information (continued)

Section B. Facility Policies and Practices

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

Name of hospital facility or letter of facility reporting group Huggins Hospital

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

| | Yes | No |
|--|-----|----|
| Community Health Needs Assessment | | |
| 1 Was the hospital facility first licensed, registered, or similarly recognized by a state as a hospital facility in the current tax year or the immediately preceding tax year? | | X |
| 2 Was the hospital facility acquired or placed into service as a tax-exempt hospital in the current tax year or the immediately preceding tax year? If "Yes," provide details of the acquisition in Section C | | X |
| 3 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 12 | X | |
| If "Yes," indicate what the CHNA report describes (check all that apply): | | |
| a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility | | |
| b <input checked="" type="checkbox"/> Demographics of the community | | |
| c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community | | |
| d <input checked="" type="checkbox"/> How data was obtained | | |
| e <input checked="" type="checkbox"/> The significant health needs of the community | | |
| f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups | | |
| g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs | | |
| h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests | | |
| i <input checked="" type="checkbox"/> The impact of any actions taken to address the significant health needs identified in the hospital facility's prior CHNA(s) | | |
| j <input type="checkbox"/> Other (describe in Section C) | | |
| 4 Indicate the tax year the hospital facility last conducted a CHNA: 20 <u>18</u> | | |
| 5 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted | X | |
| 6a Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C | | X |
| b Was the hospital facility's CHNA conducted with one or more organizations other than hospital facilities? If "Yes," list the other organizations in Section C | | X |
| 7 Did the hospital facility make its CHNA report widely available to the public? | X | |
| If "Yes," indicate how the CHNA report was made widely available (check all that apply): | | |
| a <input checked="" type="checkbox"/> Hospital facility's website (list url): <u>www.hugginshospital.org/about/community-h</u> | | |
| b <input type="checkbox"/> Other website (list url): | | |
| c <input checked="" type="checkbox"/> Made a paper copy available for public inspection without charge at the hospital facility | | |
| d <input type="checkbox"/> Other (describe in Section C) | | |
| 8 Did the hospital facility adopt an implementation strategy to meet the significant community health needs identified through its most recently conducted CHNA? If "No," skip to line 11 | X | |
| 9 Indicate the tax year the hospital facility last adopted an implementation strategy: 20 <u>18</u> | | |
| 10 Is the hospital facility's most recently adopted implementation strategy posted on a website? | X | |
| a If "Yes," (list url): <u>www.hugginshospital.org/about/community-health-needs</u> | | |
| b If "No," is the hospital facility's most recently adopted implementation strategy attached to this return? | | |
| 11 Describe in Section C how the hospital facility is addressing the significant needs identified in its most recently conducted CHNA and any such needs that are not being addressed together with the reasons why such needs are not being addressed. | | |
| 12a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)? | | X |
| b If "Yes" to line 12a, did the organization file Form 4720 to report the section 4959 excise tax? | | |
| c If "Yes" to line 12b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$ | | |

Part V Facility Information (continued)

Financial Assistance Policy (FAP)

Name of hospital facility or letter of facility reporting group Huggins Hospital

| | Yes | No |
|--|----------|----|
| Did the hospital facility have in place during the tax year a written financial assistance policy that: | | |
| 13 Explained eligibility criteria for financial assistance, and whether such assistance included free or discounted care? | X | |
| If "Yes," indicate the eligibility criteria explained in the FAP: | | |
| a <input checked="" type="checkbox"/> Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of <u>125</u> % and FPG family income limit for eligibility for discounted care of <u>200</u> % | | |
| b <input type="checkbox"/> Income level other than FPG (describe in Section C) | | |
| c <input checked="" type="checkbox"/> Asset level | | |
| d <input type="checkbox"/> Medical indigency | | |
| e <input type="checkbox"/> Insurance status | | |
| f <input type="checkbox"/> Underinsurance status | | |
| g <input type="checkbox"/> Residency | | |
| h <input type="checkbox"/> Other (describe in Section C) | | |
| 14 Explained the basis for calculating amounts charged to patients? | X | |
| 15 Explained the method for applying for financial assistance? | X | |
| If "Yes," indicate how the hospital facility's FAP or FAP application form (including accompanying instructions) explained the method for applying for financial assistance (check all that apply): | | |
| a <input checked="" type="checkbox"/> Described the information the hospital facility may require an individual to provide as part of his or her application | | |
| b <input checked="" type="checkbox"/> Described the supporting documentation the hospital facility may require an individual to submit as part of his or her application | | |
| c <input checked="" type="checkbox"/> Provided the contact information of hospital facility staff who can provide an individual with information about the FAP and FAP application process | | |
| d <input checked="" type="checkbox"/> Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications | | |
| e <input type="checkbox"/> Other (describe in Section C) | | |
| 16 Was widely publicized within the community served by the hospital facility? | X | |
| If "Yes," indicate how the hospital facility publicized the policy (check all that apply): | | |
| a <input checked="" type="checkbox"/> The FAP was widely available on a website (list url): <u>See Part V, Page 8</u> | | |
| b <input checked="" type="checkbox"/> The FAP application form was widely available on a website (list url): <u>See Part V, Page 8</u> | | |
| c <input checked="" type="checkbox"/> A plain language summary of the FAP was widely available on a website (list url): <u>See Part V, Page 8</u> | | |
| d <input checked="" type="checkbox"/> The FAP was available upon request and without charge (in public locations in the hospital facility and by mail) | | |
| e <input checked="" type="checkbox"/> The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail) | | |
| f <input checked="" type="checkbox"/> A plain language summary of the FAP was available upon request and without charge (in public locations in the hospital facility and by mail) | | |
| g <input checked="" type="checkbox"/> Individuals were notified about the FAP by being offered a paper copy of the plain language summary of the FAP, by receiving a conspicuous written notice about the FAP on their billing statements, and via conspicuous public displays or other measures reasonably calculated to attract patients' attention | | |
| h <input checked="" type="checkbox"/> Notified members of the community who are most likely to require financial assistance about availability of the FAP | | |
| i <input type="checkbox"/> The FAP, FAP application form, and plain language summary of the FAP were translated into the primary language(s) spoken by Limited English Proficiency (LEP) populations | | |
| j <input type="checkbox"/> Other (describe in Section C) | | |

Part V Facility Information (continued)

Billing and Collections

Name of hospital facility or letter of facility reporting group Huggins Hospital

| | Yes | No |
|---|-----|----|
| 17 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained all of the actions the hospital facility or other authorized party may take upon nonpayment? | X | |
| 18 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP: | | |
| a <input type="checkbox"/> Reporting to credit agency(ies) | | |
| b <input type="checkbox"/> Selling an individual's debt to another party | | |
| c <input type="checkbox"/> Deferring, denying, or requiring a payment before providing medically necessary care due to nonpayment of a previous bill for care covered under the hospital facility's FAP | | |
| d <input type="checkbox"/> Actions that require a legal or judicial process | | |
| e <input type="checkbox"/> Other similar actions (describe in Section C) | | |
| f <input checked="" type="checkbox"/> None of these actions or other similar actions were permitted | | |
| 19 Did the hospital facility or other authorized party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP? | | X |
| If "Yes," check all actions in which the hospital facility or a third party engaged: | | |
| a <input type="checkbox"/> Reporting to credit agency(ies) | | |
| b <input type="checkbox"/> Selling an individual's debt to another party | | |
| c <input type="checkbox"/> Deferring, denying, or requiring a payment before providing medically necessary care due to nonpayment of a previous bill for care covered under the hospital facility's FAP | | |
| d <input type="checkbox"/> Actions that require a legal or judicial process | | |
| e <input type="checkbox"/> Other similar actions (describe in Section C) | | |
| 20 Indicate which efforts the hospital facility or other authorized party made before initiating any of the actions listed (whether or not checked) in line 19 (check all that apply): | | |
| a <input type="checkbox"/> Provided a written notice about upcoming ECAs (Extraordinary Collection Action) and a plain language summary of the FAP at least 30 days before initiating those ECAs (if not, describe in Section C) | | |
| b <input checked="" type="checkbox"/> Made a reasonable effort to orally notify individuals about the FAP and FAP application process (if not, describe in Section C) | | |
| c <input checked="" type="checkbox"/> Processed incomplete and complete FAP applications (if not, describe in Section C) | | |
| d <input checked="" type="checkbox"/> Made presumptive eligibility determinations (if not, describe in Section C) | | |
| e <input type="checkbox"/> Other (describe in Section C) | | |
| f <input type="checkbox"/> None of these efforts were made | | |

Policy Relating to Emergency Medical Care

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

Part V Facility Information *(continued)*

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

Name of hospital facility or letter of facility reporting group Huggins Hospital

| | Yes | No |
|--|-----------|----------|
| 22 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care. | | |
| a <input type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service during a prior 12-month period | | |
| b <input type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period | | |
| c <input checked="" type="checkbox"/> The hospital facility used a look-back method based on claims allowed by Medicaid, either alone or in combination with Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period | | |
| d <input type="checkbox"/> The hospital facility used a prospective Medicare or Medicaid method | | |
| 23 During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care? | 23 | X |
| If "Yes," explain in Section C. | | |
| 24 During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual? | 24 | X |
| If "Yes," explain in Section C. | | |

Schedule H (Form 990) 2018

Part V Facility Information (continued)

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

Huggins Hospital:

Part V, Section B, Line 5: In 2019, three hundred forty-three individuals collaborated to implement a comprehensive Community Health Needs Assessment process focused on identifying and defining significant health needs, issues, and concerns of Carroll County and other communities served by Huggins Hospital. Over 40 people participated in focus groups, and 300 additional people participated in the community survey. The three-month process centered on gathering and analyzing data as well as receiving input from persons who represented the broad interests of the community to provide direction for creating a plan to improve the health of the communities. Many of the community's social support service organizations and other healthcare agencies participated. Along with the direct feedback from community members, these organizations provided input through a viewpoint of the clients they represent. Many of the organizations who participated in Huggins Hospital's Community Health Needs Assessment employ people with special knowledge and expertise in public health issues.

Huggins Hospital:

Part V, Section B, Line 11: Huggins Hospital's most recent Community Health Needs Assessment and Implementation Plan was completed in 2019. The Implementation Plan includes strategies to address Access to Care, Mental Health and Addiction Treatment/Prevention, and Social Determinants of Health Improvement. Huggins Hospital, along with its partners in the Huggins Community Health Network - a network of healthcare and social

Part V Facility Information *(continued)*

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

service organizations in southern Carroll County, work together to identify the gaps and barriers that exist to improving the overall health and wellbeing of the community. The group also improves connections, navigation and referral to all resources in the community.

Huggins Hospital is addressing these prioritized needs by focusing efforts in its Population Health Team. This team includes staff from Community Health, Care Coordination, Community Relations, Quality, Integrated Care and Performance Improvement. The team works together to improve Population Health, increase utilization of the Huggins Health Neighborhood for patient navigation through the system, integrate physical and mental health care, and address the gaps in services for the social determinants of health.

Huggins Hospital

Part V, line 16a, FAP website:

www.hugginshospital.org/resources/financial-assistance-and-billing

Huggins Hospital

Part V, line 16b, FAP Application website:

www.hugginshospital.org/resources/financial-assistance-and-billing

Huggins Hospital

Part V, line 16c, FAP Plain Language Summary website:

www.hugginshospital.org/resources/financial-assistance-and-billing/

Part VI Supplemental Information

Provide the following information.

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

Part I, Line 7:

The amounts reported on Lines 7a & 7b were computed using a cost-to-charge ratio.

Part II, Community Building Activities:

Community-building activities include cash, in-kind donations, and budgeted expenditures by the Trust for the development of programs and partnerships intended to address social and economic determinants of health. Huggins Hospital supports the community through numerous programs and resources as well as involvement and direct donations.

Economic Development: Huggins Hospital is one of the New Hampshire Eastern Lakes Region's primary economic drivers as a large regional employer. The hospital provides assurance to year-round and seasonal residents and visitors that 24/7 access to health care is available every day of the year. The economic health and quality of life hinges on the financial strength and the ability of the hospital to provide healthcare in the region. Multiple Leadership Team members sit on local boards and assist

Part VI Supplemental Information (Continuation)

with economic development initiatives with groups such as the Wolfeboro Chamber, the Wolfeboro Economic Development Corporation and the Eastern Lakes Region Housing Coalition. The hospital also supports these agencies with cash and in-kind donations listed in the Community Building Activities section of the hospital's Community Benefits Report.

Community Support: Huggins Hospital works collaboratively with the community to offer high quality, cost-effective care. The hospital maintains relationships with many organizations to promote and create better community health including GraniteOne Health (affiliation of Huggins Hospital, Catholic Medical Center and Monadnock Community Hospital), Governor Wentworth Regional School District, Starting Point, Carroll County Coalition for Public Health, Central NH VNA & Hospice, Northern Human Services, local summer camps and many more. Huggins Hospital provides direct in-kind and cash donations to organizations who also strive to support a healthy community that you can find listed in the Financial Contributions section of the Community Benefits Report. The hospital also works together with local emergency preparedness groups to train and drill in order to be ready for any situation that may arise in our community. As part of our community support, Huggins Hospital also provides paramedic-level services out in the community through the Paramedic Intercept Program. This program allows for a faster connection to a higher level of care that many rural areas do not have available. These quick connections to this high-level emergency care helps save lives and get people the care they need sooner. This program is counted on the Community Benefits Report under Community-Based Clinical Services.

Coalition Building: Huggins Hospital staff members sit on multiple public

Part VI Supplemental Information (Continuation)

health and regional health network groups to address healthcare concerns in multiple areas including chronic disease, substance misuse, mental health, behavioral health, elderly health, healthy childhood development and more.

Community Health Improvement Advocacy: Huggins Hospital develops its Community Health Needs Assessment through aggressive community outreach and involvement that creates a natural path to health improvement advocacy in our community. This outreach contribution is referenced in the Community Benefits Report in the Community Benefits Operations section. This process includes interviews and surveys involving many stakeholders including residents, government officials, healthcare organizations and local residents. Through this process, we developed an Implementation Plan to continue to advocate for and improve the health of our community.

As mentioned before, employees at Huggins Hospital are involved in many community groups dedicated to the health of our community. Our employees are professionals in health care and are passionate about what they do. Not only do the employees sit on numerous health advocacy committees and boards, they also volunteer at other local healthcare organizations and support community healthcare initiatives. Huggins Hospital offers free health education to the community in the form of physician and professional lectures, news stories and public service announcements. Emergency medical professionals at Huggins Hospital train local EMS for emergency preparedness and strive to improve the quality of emergency care. Huggins Hospital supports other local non-profits that provide needed support outside the hospital's scope-of-care including mental health agencies and agencies for domestic violence support. This support

Part VI Supplemental Information (Continuation)

includes allowing local support groups and a domestic violence prevention agency to use Huggins Hospital space to conduct support groups and other services. These groups include Meals on Wheels, Starting Point, and more. The support for these initiatives is represented in multiple categories of the Community Benefits Report.

Workforce development: As a rural hospital with rural primary care locations, Huggins Hospital needs extra support in finding healthcare providers in the current physician shortage situation happening nationwide. Huggins Hospital uses a support system to help recruit qualified providers to the Eastern Lakes Region community in order to provide the healthcare services the community needs.

Part III, Line 4:

Patient accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to operations and a credit to a valuation allowance based on its assessment of individual accounts and historical adjustments. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to patient accounts receivable.

In evaluating the collectability of accounts receivable, the Hospital analyzes past results and identifies trends for each major payor source of revenue for the purpose of estimating the appropriate amounts for the allowance for doubtful accounts and the provision for bad debts. Data in each major payor source are regularly reviewed to evaluate the adequacy of

Part VI Supplemental Information (Continuation)

the allowance for doubtful accounts. Specifically, for receivables relating to services provided to patients having third-party coverage, an allowance for doubtful accounts and a corresponding provision for bad debts are established at varying levels based on the age of the receivables and payor source. For receivables relating to self-pay patients, a provision for doubtful accounts and corresponding allowance for doubtful accounts is made in the period services are rendered based on experience indicating the inability or unwillingness of patients to pay amounts for which they are financially responsible. Actual write-offs are charged against the allowance for doubtful accounts.

The Hospital used a cost-to-charge ratio as its costing methodology for amounts reported in Part III, Section A.

Part III, Line 8:

The Organization used a cost-to-charge ratio as its costing methodology to determine the amount of Medicare allowable costs.

Part III, Line 9b:

As a not-for-profit, tax-exempt, and charitable organization, Huggins Hospital serves all in medical need regardless of ability to pay. The Organization is governed by a volunteer Board of Trustees committed to balancing community needs with our available resources to meet those needs. As a hospital-employed medical staff, all twelve physician practices accept patients regardless of ability to pay.

Part VI, Line 2:

Please see Part V, Section B as well as the attached Community Health

Part VI Supplemental Information (Continuation)

Needs Assessment and Implementation Plan. The Huggins Hospital Community Health Needs Assessment and Implementation Plan can also be found online at: www.hugginshospital.org/assets/pdf/webCHNAandImplementation2019.pdf

Part VI, Line 3:

Huggins Hospital provides a notice to all patients both in the hospital and its physician practices of the financial assistance programs available to them. There is a staff of financial counselors who work with the uninsured and underinsured to assist in qualifying for Charity Care or a sliding fee schedule depending on the family income. Financial counselors also assist those uninsured in applying for and receiving assistance through the Medicaid program. Information about our financial assistance programs can be found on our website and in print or in person at all of our locations.

Part VI, Line 4:

Huggins Hospital is a non-profit, rural, Critical Access Hospital. Our community's year-round population is approximately 33,000 citizens which expands in the tourist season to about 120,000 residents. Huggins Hospital is the largest employer in Wolfeboro. The primary service area for Huggins Hospital includes: Alton, Brookfield, Effingham, Freedom, Ossipee, Tamworth, Tuftonboro, Wakefield and Wolfeboro. Secondary service areas include parts of Barnstead, Gilford, Moultonborough and New Durham. These towns are located in Carroll, Belknap and Strafford Counties.

Part VI, Line 5:

Huggins Hospital has played an important role in the Eastern Lakes Region of New Hampshire for more than 100 years, enabling unwavering support to

Part VI Supplemental Information (Continuation)

patients and their families, community members and employees. Gifts made to the hospital's annual giving program and special initiatives support programs that are important to the region like the Adult Day Program, Diabetes Prevention and Paramedic Program. The Hospital's professional medical staff has a reputation for excellence in primary care, inpatient and outpatient surgery, medical imaging and diagnostics, gynecology, orthopedics, pediatrics, physical therapy, cardiac and occupational rehabilitation, and emergency services.

Part VI, Line 6:

Huggins Hospital is part of GraniteOne Health, an affiliation with Catholic Medical Center and Monadnock Community Hospital. All three organizations are non-profit, charitable organizations focused on improving the health of their respective communities as well as all the communities served by all of GraniteOne Health organizations. The affiliation is collaborative, allowing the three organizations to maintain their own identities and strategies while offering support to one another to improve on community health initiatives already in place. The affiliation will help each organization remain strong and will help bring more local resources to the communities.

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

NH

**SCHEDULE I
(Form 990)**

Department of the Treasury
Internal Revenue Service

**Grants and Other Assistance to Organizations,
Governments, and Individuals in the United States**
Complete if the organization answered "Yes" on Form 990, Part IV, line 21 or 22.
▶ **Attach to Form 990.**
▶ **Go to www.irs.gov/Form990 for the latest information.**

OMB No. 1545-0047

2018

**Open to Public
Inspection**

Name of the organization **Huggins Hospital** Employer identification number **02-0223332**

Part I General Information on Grants and Assistance

- 1** Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? **Yes** **No**
- 2** Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

Part II Grants and Other Assistance to Domestic Organizations and Domestic Governments. Complete if the organization answered "Yes" on Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Part II can be duplicated if additional space is needed.

| 1 (a) Name and address of organization or government | (b) EIN | (c) IRC section (if applicable) | (d) Amount of cash grant | (e) Amount of non-cash assistance | (f) Method of valuation (book, FMV, appraisal, other) | (g) Description of noncash assistance | (h) Purpose of grant or assistance |
|---|----------------|--|---------------------------------|--|--|--|---|
| Foundation for Healthy Communities 125 Airport Road Concord, NH 03301 | 02-0275078 | 501(c)(3) | 192,099. | 0. | FMV | | Support Medicaid Expansion |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table **1.**

3 Enter total number of other organizations listed in the line 1 table **0.**

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

Schedule I (Form 990) (2018)

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

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

Part IV Supplemental Information. Provide the information required in Part I, line 2; Part III, column (b); and any other additional information.

Part I, Line 2:

Amounts paid to Organizations were required by the State of NH in order to support Medicaid expansion. Therefore, additional monitoring of funds was not deemed to be necessary.

**SCHEDULE J
(Form 990)**

Compensation Information

OMB No. 1545-0047

2018

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

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

▶ Attach to Form 990.

▶ Go to www.irs.gov/Form990 for instructions and the latest information.

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Name of the organization

Huggins Hospital

Employer identification number

02-022332

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

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

b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked on line 1a?

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Schedule J (Form 990) 2018

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

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

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

| (A) Name and Title | | (B) Breakdown of W-2 and/or 1099-MISC compensation | | | (C) Retirement and other deferred compensation | (D) Nontaxable benefits | (E) Total of columns (B)(i)-(D) | (F) Compensation in column (B) reported as deferred on prior Form 990 |
|---|------|--|-------------------------------------|-------------------------------------|--|-------------------------|---------------------------------|---|
| | | (i) Base compensation | (ii) Bonus & incentive compensation | (iii) Other reportable compensation | | | | |
| (1) Jeremy Roberge President & CEO | (i) | 281,903. | 0. | 1,778. | 8,100. | 18,578. | 310,359. | 0. |
| | (ii) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| (2) Joseph Pepe, MD Trustee | (i) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| | (ii) | 713,027. | 213,513. | 40,165. | 372,862. | 27,921. | 1,367,488. | 0. |
| (3) Alex Walker, Esq. Trustee | (i) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| | (ii) | 421,127. | 132,968. | 50,985. | 156,267. | 56,238. | 817,585. | 0. |
| (4) George Costello, MD Past Trustee | (i) | 315,587. | 600. | 3,801. | 11,020. | 20,033. | 351,041. | 0. |
| | (ii) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| (5) Henry Isaacson Past Sr. Dir. of Finance | (i) | 131,055. | 12,500. | 45,088. | 5,351. | 1,221. | 195,215. | 0. |
| | (ii) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| (6) John S. Boornazian Chief Medical Officer | (i) | 222,640. | 12,400. | 2,393. | 12,027. | 18,545. | 268,005. | 0. |
| | (ii) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| (7) William Barton General Surgeon | (i) | 272,703. | 8,913. | 2,559. | 11,971. | 512. | 296,658. | 0. |
| | (ii) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| (8) Thomas Molano General Surgeon | (i) | 325,987. | 450. | 3,035. | 8,117. | 12,240. | 349,829. | 0. |
| | (ii) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| (9) Michael Giovan Physician | (i) | 254,245. | 34,642. | 225. | 7,706. | 20,016. | 316,834. | 0. |
| | (ii) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| (10) Deborah Scott Hospitalist | (i) | 262,756. | 0. | 4,923. | 8,567. | 24,296. | 300,542. | 0. |
| | (ii) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| (11) Susan Dionne VP of Nursing | (i) | 143,517. | 11,600. | 654. | 4,733. | 2,616. | 163,120. | 0. |
| | (ii) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| | (i) | | | | | | | |
| | (ii) | | | | | | | |
| | (i) | | | | | | | |
| | (ii) | | | | | | | |
| | (i) | | | | | | | |
| | (ii) | | | | | | | |
| | (i) | | | | | | | |
| | (ii) | | | | | | | |

Part III Supplemental Information

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

Part I, Lines 4a-b:

Henry Isaacson, Past Sr. Director of Finance received a severance payment of \$43,769 during 2018 from the Organization.

Joseph Pepe MD, President/CEO of Catholic Medical Center and Alex Walker Esq., Executive Vice President & Chief Operating Officer of Catholic Medical Center, participate in a supplemental non-qualified retirement plan as described in Internal Revenue Code Section 457(f). During calendar 2018 \$351,362, and \$139,767 was deferred into the plan for Mr. Pepe, and Mr. Walker respectively.

Part I, Line 7:

The incentive payment was paid to Dr. John Boornazian as Medical Director for his oversight of Cardiopulmonary.

Bonuses paid to George Costello, William Barton, Thomas Molano, and Michael Giovan are based on relative value units (RVU's).

The bonuses for Senior Leadership are currently driven off of

Part III Supplemental Information

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

organizational goals as well as individual goals.

Part II

Joseph Pepe MD, a Trustee on the Huggins Hospital board, is the President/CEO of Catholic Medical Center, a related organization and is compensated by Catholic Medical Center.

Alex Walker, Esq., a Trustee on the Huggins Hospital board, is the Executive Vice President & Chief Operating Officer of Catholic Medical Center, a related organization and is compensated by Catholic Medical Center.

Supplemental Information on Tax-Exempt Bonds

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

▶ **Attach to Form 990.** ▶ **Go to www.irs.gov/Form990 for instructions and the latest information.**

Name of the organization **Huggins Hospital** Employer identification number **02-0223332**

| Part I Bond Issues | | | | | | | | | | See Part VI for Columns (a) and (f) Continuations | | | | | |
|--|----------------|-------------|-----------------|-----------------|--------------------------------|--------------|----|-------------------------|----|---|----|--|--|--|--|
| (a) Issuer name | (b) Issuer EIN | (c) CUSIP # | (d) Date issued | (e) Issue price | (f) Description of purpose | (g) Defeased | | (h) On behalf of issuer | | (i) Pooled financing | | | | | |
| | | | | | | Yes | No | Yes | No | Yes | No | | | | |
| A New Hampshire Health & Education Facilities Aut | 02-0279866 | None | 06/30/17 | 14,380,488. | Refinance of Series 2009 State | | X | | X | | X | | | | |
| B New Hampshire Health & Education Facilities Aut | 02-0279866 | None | 06/30/17 | 9,160,667. | Refinance of Series 2007 State | | X | | X | | X | | | | |
| C | | | | | | | | | | | | | | | |
| D | | | | | | | | | | | | | | | |

| Part II Proceeds | | | | | | | | | |
|--|-------------|----|------------|----|-----|----|-----|----|--|
| | A | | B | | C | | D | | |
| 1 Amount of bonds retired | 658,865. | | 522,854. | | | | | | |
| 2 Amount of bonds legally defeased | | | | | | | | | |
| 3 Total proceeds of issue | 14,380,488. | | 9,160,667. | | | | | | |
| 4 Gross proceeds in reserve funds | | | | | | | | | |
| 5 Capitalized interest from proceeds | | | | | | | | | |
| 6 Proceeds in refunding escrows | | | | | | | | | |
| 7 Issuance costs from proceeds | 184,943. | | 117,813. | | | | | | |
| 8 Credit enhancement from proceeds | | | | | | | | | |
| 9 Working capital expenditures from proceeds | | | | | | | | | |
| 10 Capital expenditures from proceeds | | | | | | | | | |
| 11 Other spent proceeds | 14,195,545. | | 9,042,854. | | | | | | |
| 12 Other unspent proceeds | | | | | | | | | |
| 13 Year of substantial completion | 2017 | | 2017 | | | | | | |
| | Yes | No | Yes | No | Yes | No | Yes | No | |
| 14 Were the bonds issued as part of a refunding issue of tax-exempt bonds (or, if issued prior to 2018, a current refunding issue)? | | X | X | | | | | | |
| 15 Were the bonds issued as part of a refunding issue of taxable bonds (or, if issued prior to 2018, an advance refunding issue)? | X | | | X | | | | | |
| 16 Has the final allocation of proceeds been made? | X | | X | | | | | | |
| 17 Does the organization maintain adequate books and records to support the final allocation of proceeds? | X | | X | | | | | | |

| Part III Private Business Use | | | | | | | | |
|---|-----|----|-----|----|-----|----|-----|----|
| | A | | B | | C | | D | |
| | Yes | No | Yes | No | Yes | No | Yes | No |
| 1 Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds? | | X | | X | | | | |
| 2 Are there any lease arrangements that may result in private business use of bond-financed property? | | X | | X | | | | |
| 3a Are there any management or service contracts that may result in private business use of bond-financed property? | | X | | X | | | | |
| b If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property? | | | | | | | | |
| c Are there any research agreements that may result in private business use of bond-financed property? | | X | | X | | | | |
| d If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property? | | | | | | | | |
| 4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government | | | | | | | | |
| 5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government | | | | | | | | |
| 6 Total of lines 4 and 5 | | | | | | | | |
| 7 Does the bond issue meet the private security or payment test? | | X | | X | | | | |
| 8a Has there been a sale or disposition of any of the bond-financed property to a non-governmental person other than a 501(c)(3) organization since the bonds were issued? | | X | | X | | | | |
| b If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of | | | | | | | | |
| c If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2? | | | | | | | | |
| 9 Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2? | X | | X | | | | | |

| Part IV Arbitrage | | | | | | | | |
|---|-----|----|-----|----|-----|----|-----|----|
| | A | | B | | C | | D | |
| | Yes | No | Yes | No | Yes | No | Yes | No |
| 1 Has the issuer filed Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate? | | X | | X | | | | |
| 2 If "No" to line 1, did the following apply? | | | | | | | | |
| a Rebate not due yet? | | X | | X | | | | |
| b Exception to rebate? | X | | X | | | | | |
| c No rebate due? | | X | | X | | | | |
| If "Yes" to line 2c, provide in Part VI the date the rebate computation was performed | | | | | | | | |
| 3 Is the bond issue a variable rate issue? | | X | X | | | | | |

Part IV Arbitrage (Continued)

| | A | | B | | C | | D | |
|--|-----|----|------------------|----|-----|----|-----|----|
| | Yes | No | Yes | No | Yes | No | Yes | No |
| 4a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue? | | X | | X | | | | |
| b Name of provider | | | Deutsche Bank AG | | | | | |
| c Term of hedge | | | 35.0000000 | | | | | |
| d Was the hedge superintegrated? | | | | X | | | | |
| e Was the hedge terminated? | | | | X | | | | |
| 5a Were gross proceeds invested in a guaranteed investment contract (GIC)? | | X | | X | | | | |
| b Name of provider | | | | | | | | |
| c Term of GIC | | | | | | | | |
| d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied? | | | | | | | | |
| 6 Were any gross proceeds invested beyond an available temporary period? | | X | | X | | | | |
| 7 Has the organization established written procedures to monitor the requirements of section 148? | X | | X | | | | | |

Part V Procedures To Undertake Corrective Action

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

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

Schedule K, Part I, Bond Issues:

(a) Issuer Name:

New Hampshire Health & Education Facilities Authority Series 2017A

(f) Description of Purpose:

Refinance of Series 2009 State of New Hampshire Bond

(a) Issuer Name:

New Hampshire Health & Education Facilities Authority Series 2017B

(f) Description of Purpose:

Refinance of Series 2007 State of New Hampshire Bond

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

▶ Attach to Form 990 or 990-EZ.

▶ Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2018

Open to Public
Inspection

Name of the organization

Huggins Hospital

Employer identification number

02-0223332

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

A designated officer or management official meets with the preparer to discuss a draft of the Form 990 in detail. Once any necessary revisions are made, this draft is then submitted to the Finance & Budget Committee for further review. Afterwards, a copy of the public inspection copy of Form 990 is made available to the full board for their general review and comment prior to filing the return. A designated officer then signs the return after considering board comments.

Form 990, Part VI, Section B, Line 12c:

A copy of the conflict of interest policy is given to every officer, board member, and key employee on an annual basis, along with an annual disclosure statement. Each person is asked to complete, date and sign the disclosure statement, listing any known financial interest that the individual, or a member of the individual's family, has in any business entity that transacts business with the Organization. The Chairman of the board then reviews and maintains the disclosure statements for future reference. If a conflict arises, the board member will recuse themselves from participation in the deliberations and decisions relating to that conflict.

Form 990, Part VI, Section B, Line 15:

The Hospital relies on externally available market data to determine the appropriate salary and any incentive compensation for the President as well as other officers and key employees of the organization. Each year, the President provides the Board with a listing of the five highest paid senior

| | |
|---|---|
| Name of the organization Huggins Hospital | Employer identification number 02-0223332 |
|---|---|

staff. Base salary and incentive compensation provided to the President is determined by three members of the Executive Committee of the Board as part of an annual performance review and their recommendation is shared with the full Board for final approval.

Form 990, Part VI, Section C, Line 19:

The governing documents, conflict of interest policy, and financial statements are made available to the public upon request for inspection in the President's office.

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

Other Professional Fees:

| | |
|--|------------|
| Program service expenses | 7,934,959. |
| Management and general expenses | 488,244. |
| Fundraising expenses | 159,354. |
| Total expenses | 8,582,557. |
| Total Other Fees on Form 990, Part IX, line 11g, Col A | 8,582,557. |

Form 990, Part X, Line 10: Land, Buildings, and Equipment

Section 1.263(a)-3(n) Election:

Huggins Hospital

PO Box 912

Wolfeboro, NH 03894

EIN 02-0223332

Section 1.263(a)-3(n) Election:

| | |
|---|---|
| Name of the organization Huggins Hospital | Employer identification number 02-0223332 |
|---|---|

Huggins Hospital is electing to capitalize repair and maintenance costs under Regulation Section 1.263(a)-3(n).

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

| | |
|--|-------------|
| Change in Value of Interest Rate Swap | -1,354,905. |
| Change in Beneficial interest in Perpetual Trust | -301,758. |
| Affiliation Costs | -595,187. |
| Total to Form 990, Part XI, Line 9 | -2,251,850. |

**SCHEDULE R
(Form 990)**

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

▶ **Go to www.irs.gov/Form990 for instructions and the latest information.**

OMB No. 1545-0047

2018

**Open to Public
Inspection**

Name of the organization **Huggins Hospital** Employer identification number **02-0223332**

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

| (a) Name, address, and EIN (if applicable) of disregarded entity | (b) Primary activity | (c) Legal domicile (state or foreign country) | (d) Total income | (e) End-of-year assets | (f) Direct controlling entity |
|--|-------------------------|---|---------------------|---------------------------|-------------------------------------|
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Part II Identification of Related Tax-Exempt Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related tax-exempt organizations during the tax year.

| (a) Name, address, and EIN of related organization | (b) Primary activity | (c) Legal domicile (state or foreign country) | (d) Exempt Code section | (e) Public charity status (if section 501(c)(3)) | (f) Direct controlling entity | (g) Section 512(b)(13) controlled entity? | |
|---|--|---|-------------------------------|---|-------------------------------------|--|----|
| | | | | | | Yes | No |
| Hospital and Community Aid Association, Inc. - 02-6008048, PO Box 1377, Wolfeboro, NH 03894 | Purchases equipment for the benefit of Huggins Hospital and its' | New Hampshire | 501(c)(3) | Line 12b, II | | | X |
| GraniteOne Health - 81-4663563 100 McGregor Street Manchester, NH 03102 | Supporting Organization | New Hampshire | 501(c)(3) | Line 12a, I | N/A | | X |
| Alliance Ambulatory Services - 02-0519436 100 McGregor Street Manchester, NH 03102 | Ambulatory Surgical Center | New Hampshire | 501(c)(3) | Line 10 | CMC Healthcare System | | X |
| Alliance Health Services - 61-1508839 100 McGregor Street Manchester, NH 03102 | Practices | New Hampshire | 501(c)(3) | Line 10 | CMC Healthcare System | | X |

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

Schedule R (Form 990) 2018

See Part VII for Continuations

Part II Continuation of Identification of Related Tax-Exempt Organizations

| (a) Name, address, and EIN of related organization | (b) Primary activity | (c) Legal domicile (state or foreign country) | (d) Exempt Code section | (e) Public charity status (if section 501(c)(3)) | (f) Direct controlling entity | (g) Section 512(b)(13) controlled organization? | |
|---|-------------------------|---|-------------------------------|---|-------------------------------------|--|----|
| | | | | | | Yes | No |
| Alliance Resources Incorporated - 02-0398138 100 McGregor Street Manchester, NH 03102 | Real Estates | New Hampshire | 501(c)(3) | Line 12b, II | CMC Healthcare System | | X |
| Catholic Medical Center - 02-0315693 100 McGregor Street Manchester, NH 03102 | Hospital | New Hampshire | 501(c)(3) | Line 3 | GraniteOne Health | | X |
| CMC Healthcare System - 01-0568516 100 McGregor Street Manchester, NH 03102 | Management | New Hampshire | 501(c)(3) | Line 12b, II | N/A | | X |
| Catholic Medical Ctr. Physicans Practice Assoc. - 02-0460245, 100 McGregor Street, Manchester, NH 03102 | Practices | New Hampshire | 501(c)(3) | Line 10 | CMC Healthcare System | | X |
| Monadnock Community Hospital - 02-0222157 452 Old Street Road Peterborough, NH 03458 | Hospital | New Hampshire | 501(c)(3) | Line 3 | GraniteOne Health | | X |
| Monadnock Health Services - 02-0420789 452 Old Street Road Peterborough, NH 03102 | Inactive | New Hampshire | 501(c)(3) | Line 12a, I | Monadnock Community Hospital | | X |
| St. Peters Home - 02-0222228 100 McGregor Street Manchester, NH 03102 | Day Care Services | New Hampshire | 501(c)(3) | Line 10 | CMC Healthcare System | | X |
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Part III Identification of Related Organizations Taxable as a Partnership. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related organizations treated as a partnership during the tax year.

| (a) Name, address, and EIN of related organization | (b) Primary activity | (c) Legal domicile (state or foreign country) | (d) Direct controlling entity | (e) Predominant income (related, unrelated, excluded from tax under sections 512-514) | (f) Share of total income | (g) Share of end-of-year assets | (h) Disproportionate allocations? | | (i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065) | (j) General or managing partner? | | (k) Percentage ownership |
|--|----------------------------|---|-------------------------------------|---|---------------------------------|--|---|----|---|---|----|--------------------------------|
| | | | | | | | Yes | No | | Yes | No | |
| Bedford Ambulatory Surgical Center - 02-0519727, 11 Washington Place, Bedford, NH 03110 | Surgical Center | NH | N/A | | | | | X | N/A | | X | |
| McGregor Street MOB LLC - 13-4347316, 100 McGregor Street, Manchester, NH 03110 | Medical Office Building | NH | N/A | | | | | X | N/A | | X | |
| | | | | | | | | | | | | |
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Part IV Identification of Related Organizations Taxable as a Corporation or Trust. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related organizations treated as a corporation or trust during the tax year.

| (a) Name, address, and EIN of related organization | (b) Primary activity | (c) Legal domicile (state or foreign country) | (d) Direct controlling entity | (e) Type of entity (C corp, S corp, or trust) | (f) Share of total income | (g) Share of end-of-year assets | (h) Percentage ownership | (i) Section 512(b)(13) controlled entity? | |
|--|----------------------------|---|-------------------------------------|--|---------------------------------|--|--------------------------------|---|----|
| | | | | | | | | Yes | No |
| Huggins Senior Housing - 02-0490445 P.O. Box 912 Wolfeboro, NH 03894 | Elderly Housing | NH | N/A | C CORP | 1,201,985. | 1,011,125. | 100.00% | X | |
| Alliance Enterprises - 02-0386795 100 McGregor Street Manchester, NH 03102 | Real Estate | NH | N/A | C CORP | | | | | X |
| Doctor's Medical Association - 02-0340690 100 McGregor Street Manchester, NH 03102 | Medical Office Building | NH | N/A | C CORP | | | | | X |
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Part V Transactions With Related Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

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

| | Yes | No |
|--|-----|----|
| 1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV? | | |
| a Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity | | X |
| b Gift, grant, or capital contribution to related organization(s) | | X |
| c Gift, grant, or capital contribution from related organization(s) | | X |
| d Loans or loan guarantees to or for related organization(s) | X | |
| e Loans or loan guarantees by related organization(s) | | X |
| f Dividends from related organization(s) | | X |
| g Sale of assets to related organization(s) | | X |
| h Purchase of assets from related organization(s) | | X |
| i Exchange of assets with related organization(s) | | X |
| j Lease of facilities, equipment, or other assets to related organization(s) | | X |
| k Lease of facilities, equipment, or other assets from related organization(s) | | X |
| l Performance of services or membership or fundraising solicitations for related organization(s) | | X |
| m Performance of services or membership or fundraising solicitations by related organization(s) | | X |
| n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s) | | X |
| o Sharing of paid employees with related organization(s) | | X |
| p Reimbursement paid to related organization(s) for expenses | X | |
| q Reimbursement paid by related organization(s) for expenses | | X |
| r Other transfer of cash or property to related organization(s) | | X |
| s Other transfer of cash or property from related organization(s) | | X |

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

| (a) Name of related organization | (b) Transaction type (a-s) | (c) Amount involved | (d) Method of determining amount involved |
|-------------------------------------|-------------------------------|------------------------|--|
| (1) Huggins Senior Housing | D | 700,000. | Fair Market Value |
| (2) | | | |
| (3) | | | |
| (4) | | | |
| (5) | | | |
| (6) | | | |

Part VII Supplemental Information.

Provide additional information for responses to questions on Schedule R. See instructions.

Part II, Identification of Related Tax-Exempt Organizations:

Name of Related Organization:

Hospital and Community Aid Association, Inc.

Primary Activity: Purchases equipment for the benefit of Huggins Hospital and its' patients.

Application for Automatic Extension of Time To File an Exempt Organization Return

Department of the Treasury
Internal Revenue Service

▶ **File a separate application for each return.**
▶ **Go to www.irs.gov/Form8868 for the latest information.**

Electronic filing (e-file). You can electronically file Form 8868 to request a 6-month automatic extension of time to file any of the forms listed below with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, for which an extension request must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit www.irs.gov/e-file-providers/e-file-for-charities-and-non-profits.

Automatic 6-Month Extension of Time. Only submit original (no copies needed).

All corporations required to file an income tax return other than Form 990-T (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

| | Enter filer's identifying number | |
|--|--|--|
| Type or print | Name of exempt organization or other filer, see instructions. Huggins Hospital | Employer identification number (EIN) or 02-0223332 |
| File by the due date for filing your return. See instructions. | Number, street, and room or suite no. If a P.O. box, see instructions. P.O. Box 912 | Social security number (SSN) |
| | City, town or post office, state, and ZIP code. For a foreign address, see instructions. Wolfeboro, NH 03894 | |

Enter the Return Code for the return that this application is for (file a separate application for each return) 0 | 1

| Application Is For | Return Code | Application Is For | Return Code |
|--|-------------|-----------------------------------|-------------|
| Form 990 or Form 990-EZ | 01 | Form 990-T (corporation) | 07 |
| Form 990-BL | 02 | Form 1041-A | 08 |
| Form 4720 (individual) | 03 | Form 4720 (other than individual) | 09 |
| Form 990-PF | 04 | Form 5227 | 10 |
| Form 990-T (sec. 401(a) or 408(a) trust) | 05 | Form 6069 | 11 |
| Form 990-T (trust other than above) | 06 | Form 8870 | 12 |

Jeremy Roberge

- The books are in the care of ▶ **P.O. Box 912 - Wolfeboro, NH 03894**
Telephone No. ▶ **(603) 569-7510** Fax No. ▶ _____
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension is for.

1 I request an automatic 6-month extension of time until **August 15, 2020**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
 ▶ calendar year _____ or
 ▶ tax year beginning **OCT 1, 2018**, and ending **SEP 30, 2019**.

2 If the tax year entered in line 1 is for less than 12 months, check reason: Initial return Final return
 Change in accounting period

| | | | |
|---|-----------|----|----|
| 3a If this application is for Forms 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions. | 3a | \$ | 0. |
| b If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit. | 3b | \$ | 0. |
| c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions. | 3c | \$ | 0. |

Caution: If you are going to make an electronic funds withdrawal (direct debit) with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

Electronic Filing PDF Attachment



HUGGINS HOSPITAL AND SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS

and

SUPPLEMENTARY INFORMATION

September 30, 2019 and 2018

With Independent Auditor's Report

HUGGINS HOSPITAL AND SUBSIDIARY

Index to Consolidated Financial Statements and Supplementary Information

September 30, 2019 and 2018

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| Consolidated Statements of Cash Flows | 6 |
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| Schedule 1 - Consolidating Balance Sheet | 27 |
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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Huggins Hospital and Subsidiary

We have audited the accompanying consolidated financial statements of Huggins Hospital and Subsidiary, which comprise the consolidated balance sheets as of September 30, 2019 and 2018, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Huggins Hospital and Subsidiary as of September 30, 2019 and 2018, and the results of their operations, changes in their net assets, and their cash flows for the years then ended, in accordance with U.S. generally accepted accounting principles.

Board of Trustees
Huggins Hospital and Subsidiary

Change in Accounting Principle

As discussed in Note 1 to the financial statements, in 2019 Huggins Hospital and Subsidiary adopted new accounting guidance, Financial Accounting Standards Board Accounting Standards Update No. 2016-14, Not-for-Profit Entities (Topic 958), *Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

Other Matter

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. Schedules 1 and 2 are presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and results of operations of the individual organizations, and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Berry Dunn McNeil & Parker, LLC

Portland, Maine
February 3, 2020

HUGGINS HOSPITAL AND SUBSIDIARY

Consolidated Balance Sheets

September 30, 2019 and 2018

| | <u>2019</u> | <u>2018</u> |
|---|-----------------------|----------------------|
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | \$ 10,897,609 | \$ 8,994,916 |
| Accounts receivable from patients, less allowances for uncollectible accounts and contractals (2019 - \$8,660,000; 2018 - \$8,228,000) | 8,802,983 | 7,436,595 |
| Other accounts and notes receivable | 1,500,892 | 3,446,185 |
| Other current assets | <u>1,547,798</u> | <u>812,190</u> |
| Total current assets | 22,749,282 | 20,689,886 |
| Assets limited as to use, less current portion | 43,525,942 | 42,742,434 |
| Property and equipment, net | 45,838,997 | 45,861,471 |
| Long-term investments | 12,031,012 | 12,425,093 |
| Beneficial interest in perpetual trust | 6,053,687 | 6,355,445 |
| Cash surrender value of life insurance | <u>1,248,266</u> | <u>1,248,266</u> |
| Total assets | <u>\$ 131,447,186</u> | <u>\$129,322,595</u> |
| LIABILITIES AND NET ASSETS | | |
| Current liabilities | | |
| Accounts payable and other current liabilities | \$ 3,549,385 | \$ 3,097,973 |
| Accrued salaries and related accounts | 2,386,134 | 2,011,756 |
| Current portion of long-term debt | 618,470 | 600,064 |
| Due to related parties | 1,534,198 | 318,061 |
| Current portion of estimated third-party payor settlements | <u>2,700,729</u> | <u>1,834,624</u> |
| Total current liabilities | 10,788,916 | 7,862,478 |
| Estimated third-party payor settlements, less current portion | 21,155,391 | 21,212,078 |
| Interest rate swap | 3,193,584 | 1,838,679 |
| Long-term debt, excluding current portion | <u>19,514,215</u> | <u>20,052,442</u> |
| Total liabilities | <u>54,652,106</u> | <u>50,965,677</u> |
| Net assets | | |
| Without donor restrictions | 58,131,841 | 59,006,407 |
| With donor restrictions | <u>18,663,239</u> | <u>19,350,511</u> |
| Total net assets | <u>76,795,080</u> | <u>78,356,918</u> |
| Total liabilities and net assets | <u>\$ 131,447,186</u> | <u>\$129,322,595</u> |

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

HUGGINS HOSPITAL AND SUBSIDIARY
Consolidated Statements of Operations
Years Ended September 30, 2019 and 2018

| | <u>2019</u> | <u>2018</u> |
|---|----------------------------|---------------------|
| Revenues, gains and other support without donor restrictions | | |
| Patient service revenue (net of discounts and contractual allowances) | \$ 62,399,259 | \$ 60,572,938 |
| Less provision for bad debts | <u>3,120,778</u> | <u>3,376,783</u> |
| Net patient service revenue | 59,278,481 | 57,196,155 |
| Other operating revenues | 5,411,552 | 4,123,419 |
| Investment income allotted for operations | 564,000 | 564,000 |
| Net assets released from restrictions for operating purposes | <u>48,026</u> | <u>83,055</u> |
| Total revenues and gains | <u>65,302,059</u> | <u>61,966,629</u> |
| Expenses | | |
| Salaries, wages, and fringe benefits | 36,548,707 | 35,025,019 |
| Supplies | 6,420,917 | 5,200,245 |
| Physician fees | 3,834,940 | 3,997,199 |
| Other | 10,091,589 | 7,982,361 |
| Medicaid enhancement tax | 2,453,191 | 2,251,983 |
| Depreciation and amortization | 4,753,881 | 4,694,000 |
| Interest | <u>984,914</u> | <u>658,801</u> |
| Total expenses | <u>65,088,139</u> | <u>59,809,608</u> |
| Operating income | <u>213,920</u> | <u>2,157,021</u> |
| Nonoperating gains (losses) | | |
| Contributions | 278,454 | 334,967 |
| Development costs | (173,627) | (208,300) |
| Nonoperating investment income | 3,886,039 | 1,907,992 |
| Change in value of interest rate swap | (1,354,905) | 780,845 |
| Pension curtailment loss | - | (4,652,215) |
| Affiliation costs | <u>(595,187)</u> | <u>-</u> |
| Nonoperating gains (losses), net | <u>2,040,774</u> | <u>(1,836,711)</u> |
| Excess of revenues and gains over expenses | 2,254,694 | 320,310 |
| Net assets released from restrictions for capital acquisitions | 3,500 | 12,095 |
| Net unrealized (losses) gains on investments | (3,132,760) | 1,066,016 |
| Pension liability adjustment | <u>-</u> | <u>6,622,913</u> |
| (Decrease) increase in net assets without donor restrictions | <u>\$ (874,566)</u> | <u>\$ 8,021,334</u> |

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

HUGGINS HOSPITAL AND SUBSIDIARY

Consolidated Statements of Changes in Net Assets

Years Ended September 30, 2019 and 2018

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|--|---|--|-----------------------------|
| Balances, October 1, 2017 | \$ <u>50,985,073</u> | \$ <u>18,010,983</u> | \$ <u>68,996,056</u> |
| Excess of revenues and gains over expenses | 320,310 | - | 320,310 |
| Contributions | - | 1,006,921 | 1,006,921 |
| Investment income, net of fees | - | 200,901 | 200,901 |
| Net assets released from restrictions for operations | - | (83,055) | (83,055) |
| Net assets released from restrictions for capital acquisitions | 12,095 | (12,095) | - |
| Spending policy allotment | - | (564,000) | (564,000) |
| Realized gains on sales of investments | - | 465,373 | 465,373 |
| Net unrealized gains on investments | 1,066,016 | 336,753 | 1,402,769 |
| Pension liability adjustment | 6,622,913 | - | 6,622,913 |
| Change in beneficial interest in perpetual trust | <u>-</u> | <u>(11,270)</u> | <u>(11,270)</u> |
| Net increase in net assets | <u>8,021,334</u> | <u>1,339,528</u> | <u>9,360,862</u> |
| Balances, September 30, 2018 | <u>59,006,407</u> | <u>19,350,511</u> | <u>78,356,918</u> |
| Excess of revenues and gains over expenses | 2,254,694 | - | 2,254,694 |
| Contributions | - | 60,093 | 60,093 |
| Investment income, net of fees | - | 224,054 | 224,054 |
| Net assets released from restrictions for operations | - | (48,026) | (48,026) |
| Net assets released from restrictions for capital acquisitions | 3,500 | (3,500) | - |
| Spending policy allotment | - | (564,000) | (564,000) |
| Realized gains on sales of investments | - | 1,527,796 | 1,527,796 |
| Net unrealized losses on investments | (3,132,760) | (1,581,931) | (4,714,691) |
| Change in beneficial interest in perpetual trust | <u>-</u> | <u>(301,758)</u> | <u>(301,758)</u> |
| Net decrease in net assets | <u>(874,566)</u> | <u>(687,272)</u> | <u>(1,561,838)</u> |
| Balances, September 30, 2019 | <u>\$ 58,131,841</u> | <u>\$ 18,663,239</u> | <u>\$ 76,795,080</u> |

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

HUGGINS HOSPITAL AND SUBSIDIARY
Consolidated Statements of Cash Flows
Years Ended September 30, 2019 and 2018

| | <u>2019</u> | <u>2018</u> |
|--|----------------------|---------------------|
| Cash flows from operating activities | | |
| Change in net assets | \$ (1,561,838) | \$ 9,360,862 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities | | |
| Change in beneficial interest in perpetual trust | 301,758 | 11,270 |
| Depreciation and amortization | 4,834,124 | 4,774,243 |
| Provision for bad debts | 3,120,778 | 3,376,783 |
| Net realized and unrealized losses (gains) on investments | 41,081 | (3,204,490) |
| Pension curtailment loss | - | 4,652,215 |
| Pension liability adjustment | - | (6,622,913) |
| Unrealized loss (gain) on interest rate swap | 1,354,905 | (780,845) |
| Decrease (increase) in | | |
| Accounts receivable from patients | (4,487,166) | (3,780,941) |
| Other accounts and notes receivable | 1,945,293 | (2,367,409) |
| Other current assets | (735,608) | 1,210 |
| Increase (decrease) in | | |
| Accounts payable and other current liabilities | 451,412 | 1,065,474 |
| Due to related parties | 1,216,137 | 228,705 |
| Accrued salaries and related accounts | 374,378 | 275,686 |
| Estimated third-party payor settlements | 809,418 | (60,007) |
| Accrued pension cost | - | (2,029,717) |
| Net cash provided by operating activities | <u>7,664,672</u> | <u>4,900,126</u> |
| Cash flows from investing activities | | |
| Purchase of property and equipment | (4,731,407) | (4,435,095) |
| Purchase of investments | (40,489,920) | (13,076,654) |
| Proceeds from sale of investments | 40,059,412 | 12,855,105 |
| Net cash used by investing activities | <u>(5,161,915)</u> | <u>(4,656,644)</u> |
| Cash flows from financing activities | | |
| Payments on long-term debt | (600,064) | (581,655) |
| Net cash used by financing activities | <u>(600,064)</u> | <u>(581,655)</u> |
| Net increase (decrease) in cash and cash equivalents | 1,902,693 | (338,173) |
| Cash and cash equivalents, beginning of year | <u>8,994,916</u> | <u>9,333,089</u> |
| Cash and cash equivalents, end of year | \$ <u>10,897,609</u> | \$ <u>8,994,916</u> |
| Supplemental disclosure of cash flow information | | |
| Interest paid | \$ <u>854,671</u> | \$ <u>802,604</u> |

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

HUGGINS HOSPITAL AND SUBSIDIARY

Notes to Consolidated Financial Statements

September 30, 2019 and 2018

Organization

Huggins Hospital (the Hospital) is a not-for-profit Critical Access Hospital (CAH) in Wolfeboro, New Hampshire. The Hospital provides inpatient, outpatient, extended care, assisted living, primary care and emergency care services to residents of East-Central New Hampshire. Huggins Senior Housing, Inc. (HSH) is a wholly-owned subsidiary of the Hospital. HSH is the for-profit management company of a retirement community (Sugar Hill Retirement Community (SHRC)) in Wolfeboro, New Hampshire.

In January 2017, the Hospital became affiliated with Catholic Medical Center (CMC) of Manchester, New Hampshire and Monadnock Community Hospital (MCH) of Peterborough, New Hampshire, under a new organization and parent company, GraniteOne Health (GraniteOne). GraniteOne is a non-profit entity and, as a healthcare system, allows the three hospitals to enhance collaboration, strengthen clinical partnerships, and meet the health needs of the communities it serves through high-quality care and a seamless patient experience. The Hospital has two representatives on the thirteen-member Board of Trustees of GraniteOne.

On September 30, 2019, GraniteOne, CMC, CMC Healthcare System ("CMCHS"), certain subsidiaries of CMCHS, MCH and the Hospital entered into a Combination Agreement (the "Agreement") with Dartmouth-Hitchcock Health ("D-HH") to combine GraniteOne and D-HH and its members into a more fully integrated healthcare delivery system. Pursuant to the terms of the Agreement, the parties intend to revise D-HH's corporate name to Dartmouth-Hitchcock Health GraniteOne ("D-HH GO"), which will continue to serve as the sole corporate member of the existing D-HH System Members (Mary Hitchcock Memorial Health and Dartmouth-Hitchcock Clinic, New London Hospital, Cheshire Medical Center, Mt. Ascutney Hospital and Health Center, Alice Peck Day Memorial Hospital and Visiting Nurse and Hospice for Vermont and New Hampshire), and which will be substituted for GraniteOne as the sole corporate member of MCH and the Hospital and as co-member, of CMC and certain subsidiaries of CMCHS (the "Combination"). The overarching goal of the Combination is to create a New Hampshire-based, integrated and regionally distributed health care delivery system that better serves its patients and communities. While CMCHS will not be a component of the D-HH GO System, it will continue to serve as the corporate vehicle through which the Bishop of the Diocese of Manchester (the "Bishop") ensures CMC's adherence to the Ethical and Religious Directives for Catholic Health Care Services. Neither CMCHS nor the Bishop will have authority over any other D-HH GO System Member, including MCH and the Hospital. Subject to certain rights reserved to the Bishop and CMCHS with respect to CMC and the CMCHS Subsidiaries, D-HH GO will reserve to itself certain approval and initiation powers over the governance, financial, programmatic, administrative, and strategic decisions of D-HH GO System Members.

On December 30, 2019, GraniteOne, CMC, MCH and the Hospital submitted a Joint Notice of Change of Control to the New Hampshire Attorney General, Director of Charitable Trusts pursuant to New Hampshire RSA 7:19-b beginning the regulatory review and approval process of the Combination. If all necessary approvals are obtained and closing conditions satisfied, D-HH GO will consist of a major academic medical center offering tertiary and quaternary services, an acute care community hospital in an urban setting (CMC), an acute care community hospital in a rural setting (Cheshire), five rural CAH's (NLH, MAHHC, APD, MCH and the Hospital) a post-acute home health and hospice provider (VNH), and nearly 1,800 employed and affiliated primary and specialty care physicians. D-HH GO System Members will combine their resources to offer a broader array of inpatient, outpatient and ambulatory services.

HUGGINS HOSPITAL AND SUBSIDIARY
Notes to Consolidated Financial Statements
September 30, 2019 and 2018

1. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements represent the parent and subsidiary activities after the elimination of all material intercompany balances and activity.

Basis of Presentation

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic (ASC) 958, *Not-For-Profit Entities*. Under FASB ASC 958 and FASB ASC 954, *Health Care Entities*, all not-for-profit healthcare organizations are required to provide a balance sheet, a statement of operations, a statement of changes in net assets, and a statement of cash flows. FASB ASC 954 requires reporting amounts for an organization's total assets, liabilities, and net assets in a balance sheet; reporting the change in an organization's net assets in statements of operations and changes in net assets; and reporting the change in its cash and cash equivalents in a statement of cash flows, according to the following net asset classification:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Hospital. These net assets may be used at the discretion of the Hospital's management and the Board of Trustees (Board).

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Hospital or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of operations and changes in net assets.

Newly Adopted Accounting Pronouncement

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities* (Topic 958), which makes targeted changes to the not-for-profit financial reporting model. The ASU marks the completion of the first phase of a larger project aimed at improving not-for-profit financial reporting. Under the ASU, net asset reporting will be streamlined and clarified. The previous three category classification of net assets is replaced with a simplified model that combines temporarily restricted and permanently restricted into a single category called "net assets with donor restrictions." The guidance for classifying deficiencies in endowment funds and on accounting for the lapsing of restrictions on gifts to acquire property and equipment has also been simplified and clarified. New disclosures will highlight restrictions on the use of resources that

HUGGINS HOSPITAL AND SUBSIDIARY

Notes to Consolidated Financial Statements

September 30, 2019 and 2018

make otherwise liquid assets unavailable for meeting near-term financial requirements. The ASU also imposes several new requirements related to reporting expenses. The ASU is effective for the Hospital for the year ended September 30, 2019. Required disclosures for 2018 are also included in these financial statements.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include certain investments in highly liquid debt instruments with original maturities of three months or less.

Accounts Receivable from Patients

Patient accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to operations and a credit to a valuation allowance based on its assessment of individual accounts and historical adjustments. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to patient accounts receivable.

In evaluating the collectibility of accounts receivable, the Hospital analyzes past results and identifies trends for each major payor source of revenue for the purpose of estimating the appropriate amounts for the allowance for doubtful accounts and the provision for bad debts. Data in each major payor source are regularly reviewed to evaluate the adequacy of the allowance for doubtful accounts. Specifically, for receivables relating to services provided to patients having third-party coverage, an allowance for doubtful accounts and a corresponding provision for bad debts are established at varying levels based on the age of the receivables and payor source. For receivables relating to self-pay patients, a provision for doubtful accounts and corresponding allowance for doubtful accounts is made in the period services are rendered based on experience indicating the inability or unwillingness of patients to pay amounts for which they are financially responsible. Actual write-offs are charged against the allowance for doubtful accounts.

The allowance for doubtful accounts was approximately \$2,115,000 and \$2,640,000 at September 30, 2019 and 2018, respectively, and relates entirely to self-pay accounts. Self-pay accounts receivable were approximately \$2,975,000 and \$3,626,000 at September 30, 2019 and 2018, respectively. The decrease in the allowance is attributed to the decrease in self-pay accounts receivable.

HUGGINS HOSPITAL AND SUBSIDIARY

Notes to Consolidated Financial Statements

September 30, 2019 and 2018

Investments

Investments in equity securities with readily determinable fair values, and all investments in debt securities, are recorded at fair value. Investment income from funded depreciation, Board-designated investments, and investments without donor restrictions are reported as nonoperating investment income. The amount allotted for operations per the Hospital's spending policy is included in operating revenues.

Realized gains or losses on the sale of investments are determined by use of the average cost method. Unrealized gains and losses on investments are excluded from the excess of revenues and gains over expenses, and are reported as an increase or decrease in net assets, except that declines in fair value that are judged to be other than temporary are reported as realized losses. No unrealized losses were deemed to be other than temporary in 2019 and 2018.

Investments in general are exposed to various risks, such as interest rate, credit, and overall market volatility. As such, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the consolidated balance sheets.

Donor-Restricted Gifts

Unconditional promises to give cash and other assets to the Hospital are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are reported as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statements of operations as net assets released from restrictions.

Assets Limited as to Use

Assets limited as to use include designated assets set aside by the Board of Trustees for future capital improvements and funds held by trustees under the revenue bond agreement. Board-designated funds are controlled by the Board and it may, at its discretion, subsequently use them for other purposes.

Interest Rate Swap

The Hospital uses an interest rate swap contract to eliminate the cash flow exposure of interest rate movements on variable-rate debt. The Hospital has adopted FASB ASC 815, *Derivatives and Hedging*, to account for its interest rate swap contract. The interest rate swap contract has not been designated as a cash flow hedge. Unrealized gains and losses on the fair value of derivative financial instruments not designated as cash flow hedges are required to be included in the performance indicator. As a result, the changes in fair value of the interest rate swap for 2019 and 2018 have been included in the excess of revenues and gains over expenses. The Hospital expects to hold the swap until its maturity, at which point unrealized gains or losses will be zero.

HUGGINS HOSPITAL AND SUBSIDIARY
Notes to Consolidated Financial Statements
September 30, 2019 and 2018

Property and Equipment

Property and equipment acquisitions are recorded at cost. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method.

Gifts of long-lived assets such as land, buildings, or equipment are reported as support without donor restrictions, and are excluded from the excess of revenues and gains over expenses, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

Deferred Financing Costs

The costs incurred to obtain long-term financing are being amortized by the straight-line method over the repayment period of the related debt. The costs are included in long-term debt in the balance sheet.

Charity Care

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

Excess of Revenues and Gains Over Expenses

Changes in net assets without donor restrictions which are excluded from the excess of revenues and gains over expenses, consistent with industry practice, include unrealized gains and temporary unrealized losses on investments, pension liability adjustments and contributions of long-lived assets (including assets acquired using contributions which, by donor restriction, were to be used for the purposes of acquiring such assets).

Net Patient Service Revenue

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Employee Fringe Benefits

The Hospital has an "earned time" plan under which each employee earns paid leave for each period worked. These hours of paid leave may be used for vacations, holidays, or illnesses. Hours earned, but not used, are vested with the employee. Employees can vest up to 368 hours. The Hospital accrues a liability for such paid leave as it is earned.

HUGGINS HOSPITAL AND SUBSIDIARY
Notes to Consolidated Financial Statements
September 30, 2019 and 2018

Income Taxes

The Internal Revenue Service currently recognizes the Hospital as an exempt organization under Internal Revenue Code Section 501(c)(3). HSH is a for-profit corporation and, as such, is subject to federal and state taxes. Taxes were not material in 2019 or 2018.

Reclassifications

Certain amounts in the 2018 consolidated financial statements have been reclassified to conform to the 2019 presentation. Estimated third-party payor settlements related to disproportionate share hospital (DSH) and certain Medicare settlements have been reclassified as long-term due to the unresolved issues at the federal level.

Subsequent Events

For purposes of the preparation of these financial statements in conformity with U.S. GAAP, the Hospital has considered transactions or events occurring through February 3, 2020, which was the date the financial statements were available to be issued.

2. Net Patient Service Revenue

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. A summary of the payment arrangements with major third-party payors follows:

Medicare

Effective June 1, 2005, the Hospital was granted CAH status. With CAH designation, the Hospital is reimbursed at 101% of allowable costs for its inpatient and outpatient services provided to Medicare patients. The 101% is currently reduced by a federal sequestration of 2%. The Hospital is reimbursed at tentative rates with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare fiscal intermediary. The Hospital's Medicare cost reports have been settled by the Medicare fiscal intermediary through September 30, 2013.

Medicaid

Inpatient services rendered to Medicaid program beneficiaries are reimbursed at prospectively determined rates per day of hospitalization. The prospectively determined per-diem rates are not subject to retroactive adjustment. Outpatient services rendered to Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology. The Hospital is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the fiscal intermediary. The Hospital's Medicaid cost reports have been settled by the fiscal intermediary through September 30, 2013.

HUGGINS HOSPITAL AND SUBSIDIARY

Notes to Consolidated Financial Statements

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Medicaid disproportionate share hospital (DSH) payments provide financial assistance to hospitals that serve a large number of low-income patients. The federal government distributes federal DSH funds to each state based on a statutory formula. The states, in turn, distribute their portion of the DSH funding among qualifying hospitals. The states are to use their federal DSH allotments to help cover costs of hospitals that provide care to low-income patients when those costs are not covered by other payors. The State of New Hampshire's distribution of DSH monies to the hospitals is subject to audit by the Centers for Medicare & Medicaid Services. Amounts recorded by the Hospital are therefore subject to change. The disproportionate share payment revenue was estimated to be \$2,774,000 and \$2,821,000 for 2019 and 2018, respectively, and was recorded as an increase in net patient service revenue. Because the methodologies used to determine disproportionate share payments remain unsettled, the Hospital has established partial reserves on the amounts received.

Revenues from the Medicare and Medicaid programs accounted for approximately 50% and 10%, respectively, of the Hospital's patient revenue for the year ended September 30, 2019, and approximately 50% and 9%, respectively, for the year ended September 30, 2018. Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Net patient service revenue increased approximately \$2,405,000 and \$1,716,000 in 2019 and 2018, respectively, due to adjustments to settled amounts for which there was uncertainty of interpretation of the applicable regulations.

Anthem Blue Cross

Inpatient and outpatient services rendered to Anthem Blue Cross subscribers are reimbursed at submitted charges less a negotiated discount. The amounts paid to the Hospital are not subject to any retroactive adjustments.

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

| | <u>2019</u> | <u>2018</u> |
|--|-----------------------------|-----------------------------|
| Patient services | | |
| Inpatient | \$ 19,867,633 | \$ 20,142,507 |
| Outpatient | <u>102,673,377</u> | <u>95,998,277</u> |
| | 122,541,010 | 116,140,784 |
| Less Medicare allowances | 29,027,178 | 29,118,869 |
| Less other payor allowances | 29,858,347 | 25,214,022 |
| Less free care and charity allowances | <u>1,256,226</u> | <u>1,234,955</u> |
| Patient service revenue (net of discounts and contractual allowances) | 62,399,259 | 60,572,938 |
| Less provision for bad debts | <u>3,120,778</u> | <u>3,376,783</u> |
| Net patient service revenue | <u>\$ 59,278,481</u> | <u>\$ 57,196,155</u> |

HUGGINS HOSPITAL AND SUBSIDIARY
Notes to Consolidated Financial Statements
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Revenue related to self-pay patients was approximately \$2,714,000 and \$2,855,000 for the years ended September 30, 2019 and 2018, respectively.

3. Charity Care

The Hospital maintains records to identify and monitor the level of charity care it provides. These records include the amount of charges foregone for services and supplies furnished under its charity care policy, as well as the estimated cost of those services and supplies and equivalent service statistics. The following information measures the level of charity care provided during the years ended September 30:

| | <u>2019</u> | <u>2018</u> |
|---|---------------------|---------------------|
| Charges forgone, based on established rates | \$ <u>1,256,226</u> | \$ <u>1,234,955</u> |
| Estimated costs and expenses incurred to provide charity care | \$ <u>664,000</u> | \$ <u>634,000</u> |
| Equivalent percentage of charity care charges to all Hospital patient charges | <u>1.03</u> % | <u>1.06</u> % |

Costs of providing charity care services have been estimated based on the relationship of charges for these services to total expenses.

4. Availability and Liquidity of Financial Assets

As of September 30, 2019 and 2018, the Hospital has working capital of \$10,897,609 and \$8,994,916, respectively, and average days (based on normal expenditures) cash and cash equivalents on hand of 66 and 60, respectively.

The Hospital's debt covenants require the Hospital to maintain financial assets to 100 days of operating expenses. The Hospital budgets to maintain 345 days of operating expenses. As part of the Hospital's liquidity plan, cash in excess of daily requirements is invested in short-term investments.

Financial assets and liquidity resources available within one year for general expenditure, such as operating expenses, scheduled principle payments on debt, and capital construction costs not financed with debt, were as follows as of September 30:

| | <u>2019</u> | <u>2018</u> |
|--|----------------------|----------------------|
| Cash and cash equivalents | \$ <u>10,897,609</u> | \$ 8,994,916 |
| Patient accounts receivable, net | <u>8,802,983</u> | 7,436,595 |
| Other accounts and notes receivable | <u>1,500,892</u> | <u>3,446,185</u> |
| Financial assets available to meet cash needs for general expenditures within one year | \$ <u>21,201,484</u> | \$ <u>19,877,696</u> |

HUGGINS HOSPITAL AND SUBSIDIARY

Notes to Consolidated Financial Statements

September 30, 2019 and 2018

The Hospital has \$43,525,942 and \$42,742,434 at September 20, 2019 and 2018, respectively, that are designated assets set aside by the Board for future capital improvements. These assets limited as to use are not available for general expenditure within the next year; however, the internally designated amounts could be made available, if necessary.

5. Investments

Assets Limited as to Use

The composition of assets limited as to use as of September 30, 2019 and 2018 is set forth in the following table. Investments are stated at fair value.

| | <u>2019</u> | <u>2018</u> |
|---------------------------|----------------------|----------------------|
| Cash and cash equivalents | \$ 3,230,179 | \$ 3,446,076 |
| Mutual funds | 25,983,970 | 18,877,690 |
| Equity securities | - | 8,055,498 |
| Government securities | 6,318,782 | 4,970,681 |
| Corporate notes and bonds | 7,386,908 | 6,746,506 |
| Alternative investments | <u>606,103</u> | <u>645,983</u> |
| | <u>\$ 43,525,942</u> | <u>\$ 42,742,434</u> |

Other Investments

Other investments stated at fair value as of September 30 include:

| | <u>2019</u> | <u>2018</u> |
|--|----------------------|----------------------|
| Cash and cash equivalents | \$ 362,794 | \$ 69,431 |
| Mutual funds | 7,164,424 | 4,074,009 |
| Equity securities | 284,510 | 4,199,987 |
| Government securities | 1,956,030 | 1,832,229 |
| Corporate notes and bonds | 1,847,657 | 1,811,404 |
| Alternative investments | 340,997 | 363,433 |
| Other investments | <u>74,600</u> | <u>74,600</u> |
| Total long-term investments | 12,031,012 | 12,425,093 |
| Beneficial interest in perpetual trust | <u>6,053,687</u> | <u>6,355,445</u> |
| | <u>\$ 18,084,699</u> | <u>\$ 18,780,538</u> |

HUGGINS HOSPITAL AND SUBSIDIARY
Notes to Consolidated Financial Statements
September 30, 2019 and 2018

Investment income (losses) consist of the following for the years ended September 30:

| | <u>2019</u> | <u>2018</u> |
|---|------------------------------|----------------------------|
| Income | | |
| Investment income | \$ 1,599,620 | \$ 1,355,990 |
| Net realized gains on sales of securities | <u>4,673,915</u> | <u>1,801,721</u> |
| | <u>\$ 6,273,535</u> | <u>\$ 3,157,711</u> |
| Investment income is reported as follows: | | |
| Nonoperating investment income | \$ 3,886,039 | \$ 1,907,992 |
| Investment income allotted for operations | 564,000 | 564,000 |
| Included in other operating revenues | 71,646 | 19,445 |
| Restricted investment income | 224,054 | 200,901 |
| Restricted realized gains | <u>1,527,796</u> | <u>465,373</u> |
| | <u>\$ 6,273,535</u> | <u>\$ 3,157,711</u> |
| Other changes in net assets | | |
| Net unrealized (losses) gains | | |
| - without donor restrictions | \$ (3,132,760) | \$ 1,066,016 |
| - with donor restrictions | <u>(1,581,931)</u> | <u>336,753</u> |
| | <u>\$ (4,714,691)</u> | <u>\$ 1,402,769</u> |

Total gross unrealized losses sustained for less than twelve months were approximately \$190,000 on investments held at September 30, 2019. In the opinion of management, no individual unrealized loss represents an other-than-temporary impairment. The Hospital has both the intent and the ability to hold these securities for the time necessary to recover their cost.

6. Endowment

The Hospital's endowment primarily consists of donor-restricted endowment funds. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Organization has interpreted the State of New Hampshire Uniform Prudent Management of Institutional Funds Act (UPMIFA) such that the Board of Trustees is allowed to appropriate for expenditure for the uses and purposes for which the endowment fund is established, unless otherwise specified by the donor, so much of the net appreciation, realized and unrealized, in the fair value of the assets of the endowment fund over the historic dollar value of the fund as is prudent. In so doing, the Board must consider the long- and short-term needs of the Hospital in carrying out its purpose, its present and anticipated financial requirements, expected total return on its investments, price level trends, and general economic conditions. Appreciation over the amounts expended is retained in net assets with donor restrictions.

HUGGINS HOSPITAL AND SUBSIDIARY
Notes to Consolidated Financial Statements
September 30, 2019 and 2018

Changes in endowment funds for the years ended September 30, 2019 and 2018 are as follows:

| | |
|-------------------------------------|-----------------------------|
| Endowment funds, October 1, 2017 | \$ 11,550,011 |
| Interest and dividends, net of fees | 200,901 |
| Realized gains on investments | 465,373 |
| Unrealized gains on investments | <u>336,753</u> |
| Total investment gain | 1,003,027 |
| Spending policy allotment | <u>(564,000)</u> |
| Endowment funds, September 30, 2018 | <u>11,989,038</u> |
| Interest and dividends, net of fees | 224,054 |
| Realized gains on investments | 1,527,796 |
| Unrealized losses on investments | <u>(1,581,931)</u> |
| Total investment gain | 169,919 |
| Spending policy allotment | <u>(564,000)</u> |
| Endowment funds, September 30, 2019 | <u>\$ 11,594,957</u> |

Investment Policy and Strategies Employed for Achieving Investment Objectives

The Hospital's investment strategy is for long-term growth and tolerance for a fair amount of volatility to achieve this growth. The investment time horizon is five years or more. The overall objective is to provide a strategic mix of asset classes that produce the highest expected return while controlling risk. The Hospital's target investment allocation is 55% global equities, 35% fixed income, and 10% alternatives. Investment advisors are prohibited from purchasing hedge fund and private equity investments, without prior approval of the Hospital.

Spending Policy

Effective October 1, 2009, each year a calculation is made to determine the maximum amount of money that can be withdrawn from the long-term portfolio to be used for each donor-restricted and Board-designated purpose. The annual amount available for spending is not to exceed 7% of the fair market value calculated on the basis of market values determined at least quarterly and averaged over a period of not less than three years immediately preceding the year in which the appropriation for the expenditure is made. The amount distributed under the spending policy was \$564,000 for 2019 and 2018. Investment income, within the spending policy guidelines, is reported in revenues and gains in the accompanying financial statements.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or UPMIFA requires the Hospital to retain as a fund of perpetual duration. The Hospital has interpreted UPMIFA to permit spending from funds with deficiencies in accordance with the prudent measures required under the UPMIFA. There were no such deficiencies as of September 30, 2019 and 2018.

HUGGINS HOSPITAL AND SUBSIDIARY

Notes to Consolidated Financial Statements

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7. Fair Value Measurements

U.S. GAAP established a fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs classified within Levels 1 and 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy):

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect an entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

Assets and liabilities measured at fair value on a recurring basis are summarized below.

| | Fair Value Measurements at September 30, 2019 | | | |
|--|---|---|--|--|
| | Total | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| Assets: | | | | |
| Assets limited as to use | | | | |
| Cash and cash equivalents | \$ 3,230,179 | \$ 3,230,179 | \$ - | \$ - |
| Fixed income | | | | |
| U.S. Government bonds | 6,318,782 | 6,318,782 | - | - |
| Corporate notes and bonds | <u>7,386,908</u> | <u>-</u> | <u>7,386,908</u> | <u>-</u> |
| Total fixed income | 13,705,690 | 6,318,782 | 7,386,908 | - |
| Mutual funds | <u>25,983,970</u> | <u>25,983,970</u> | <u>-</u> | <u>-</u> |
| | 42,919,839 | \$ 35,532,931 | \$ 7,386,908 | \$ - |
| Investments measured at net asset value (NAV) | <u>606,103</u> | | | |
| Total assets limited as to use | <u>\$ 43,525,942</u> | | | |
| Other investments | | | | |
| Cash and cash equivalents | \$ 362,794 | \$ 362,794 | \$ - | \$ - |
| Fixed income | | | | |
| Government securities | 1,956,030 | 1,956,030 | - | - |
| Corporate notes and bonds | <u>1,847,657</u> | <u>-</u> | <u>1,847,657</u> | <u>-</u> |
| Total fixed income | 3,803,687 | 1,956,030 | 1,847,657 | - |
| Equity securities | 284,510 | 284,510 | - | - |
| Mutual funds | 7,164,424 | 7,164,424 | - | - |
| Other investments | <u>74,600</u> | <u>-</u> | <u>-</u> | <u>74,600</u> |
| | 11,690,015 | \$ 9,767,758 | \$ 1,847,657 | \$ 74,600 |
| Investments measured at NAV | <u>340,997</u> | | | |
| Total long-term investments | <u>\$ 12,031,012</u> | | | |
| Beneficial interest in perpetual trust | \$ 6,053,687 | \$ - | \$ - | \$ 6,053,687 |
| Liabilities: | | | | |
| Interest rate swap | <u>\$ 3,193,584</u> | <u>\$ -</u> | <u>\$ 3,193,584</u> | <u>\$ -</u> |

HUGGINS HOSPITAL AND SUBSIDIARY

Notes to Consolidated Financial Statements

September 30, 2019 and 2018

| | Fair Value Measurements at September 30, 2018 | | | |
|--|---|---|---|--|
| | Total | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| Assets: | | | | |
| Assets limited as to use | | | | |
| Cash and cash equivalents | \$ 3,446,076 | \$ 3,446,076 | \$ - | \$ - |
| Fixed income | | | | |
| U.S. Government bonds | 4,970,681 | 4,970,681 | - | - |
| Corporate notes and bonds | <u>6,746,506</u> | <u>-</u> | <u>6,746,506</u> | <u>-</u> |
| Total fixed income | <u>11,717,187</u> | <u>4,970,681</u> | <u>6,746,506</u> | <u>-</u> |
| Equity securities | 8,055,498 | 8,055,498 | - | - |
| Mutual funds | <u>18,877,690</u> | <u>18,877,690</u> | <u>-</u> | <u>-</u> |
| | 42,096,451 | <u>\$ 35,349,945</u> | <u>\$ 6,746,506</u> | <u>\$ -</u> |
| Investments measured at NAV | <u>645,983</u> | | | |
| Total assets limited as to use | <u>\$ 42,742,434</u> | | | |
| Other investments | | | | |
| Cash and cash equivalents | \$ 69,431 | \$ 69,431 | \$ - | \$ - |
| Fixed income | | | | |
| Government securities | 1,832,229 | 1,832,229 | - | - |
| Corporate notes and bonds | <u>1,811,404</u> | <u>-</u> | <u>1,811,404</u> | <u>-</u> |
| Total fixed income | <u>3,643,633</u> | <u>1,832,229</u> | <u>1,811,404</u> | <u>-</u> |
| Equity securities | 4,199,987 | 4,199,987 | - | - |
| Mutual funds | 4,074,009 | 4,074,009 | - | - |
| Other investments | <u>74,600</u> | <u>-</u> | <u>-</u> | <u>74,600</u> |
| | 12,061,660 | <u>\$ 10,175,656</u> | <u>\$ 1,811,404</u> | <u>\$ 74,600</u> |
| Investments measured at NAV | <u>363,433</u> | | | |
| Total long-term investments | <u>\$ 12,425,093</u> | | | |
| Beneficial interest in perpetual trust | <u>\$ 6,355,445</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 6,355,445</u> |
| Liabilities: | | | | |
| Interest rate swap | <u>\$ 1,838,679</u> | <u>\$ -</u> | <u>\$ 1,838,679</u> | <u>\$ -</u> |
| Investments - held by defined benefit pension plan (Note 13): | | | | |
| Cash and cash equivalents | <u>\$ 187,097</u> | <u>\$ 187,097</u> | <u>\$ -</u> | <u>\$ -</u> |
| Total | <u>\$ 187,097</u> | <u>\$ 187,097</u> | <u>\$ -</u> | <u>\$ -</u> |

The fair value of Level 2 assets and liabilities is primarily based on market prices of comparable securities, interest rates, and credit ratings. These techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the instrument.

As the beneficial interest in perpetual trust is not readily available to the Hospital, the interest is classified as Level 3 and recorded based upon the fair value of the underlying assets.

HUGGINS HOSPITAL AND SUBSIDIARY
Notes to Consolidated Financial Statements
September 30, 2019 and 2018

Changes in fair value of assets classified as Level 3 are comprised of the following for the years ended September 30:

| | <u>Beneficial Interest</u> |
|-----------------------------|--------------------------------|
| Balance, October 1, 2017 | \$ 6,366,715 |
| Change in value | <u>(11,270)</u> |
| Balance, September 30, 2018 | 6,355,445 |
| Change in value | <u>(301,758)</u> |
| Balance, September 30, 2019 | <u>\$ 6,053,687</u> |

The following table sets forth a summary of the Hospital's investments valued using a reported NAV at September 30, 2019:

| <u>Investment</u> | Fair Value Estimated Using NAV Per Share at September 30: | | Redemption Frequency | Other Redemption Restrictions | Redemption Notice Period |
|--|---|----------------------------|-------------------------|--|--|
| | <u>2019</u> | <u>2018</u> | | | |
| The Optima Discretionary Macro Fund Ltd Offshore Multi-Manager | <u>\$ 947,100</u> | <u>\$ 1,009,416</u> | Quarterly | Purchased or redeemed at the NAV on the first business day of each month | Subject to 65 days' prior written notice |
| | <u>\$ 947,100</u> | <u>\$ 1,009,416</u> | | | |

8. Property and Equipment

The major categories of property and equipment are as follows as of September 30:

| | <u>2019</u> | <u>2018</u> |
|-------------------------------|-----------------------------|-----------------------------|
| Land | \$ 1,828,322 | \$ 1,828,322 |
| Land improvements | 6,731,373 | 6,251,093 |
| Buildings | 54,452,210 | 54,139,920 |
| Building services equipment | 13,288,422 | 10,534,541 |
| Major moveable equipment | 13,009,470 | 12,857,972 |
| Construction in progress | <u>3,737,546</u> | <u>2,704,087</u> |
| | 93,047,343 | 88,315,935 |
| Less accumulated depreciation | <u>47,208,346</u> | <u>42,454,464</u> |
| | <u>\$ 45,838,997</u> | <u>\$ 45,861,471</u> |

HUGGINS HOSPITAL AND SUBSIDIARY
Notes to Consolidated Financial Statements
September 30, 2019 and 2018

During 2018, the Hospital began the installation and implementation of new enterprise resource planning and electronic health record systems. At September 30, 2019, the Hospital had approximately \$2,180,000 of costs in construction in progress related to this project. Total estimated costs for completion are \$3.5 million and this project is expected to be completed in Spring 2020. The Hospital also began a renovation project of its Medical Arts Center for approximately \$3 million, which is expected to be completed during 2020.

9. Long-Term Debt

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

| | <u>2019</u> | <u>2018</u> |
|--|-----------------------------|-----------------------------|
| New Hampshire Health and Education Facilities Authority (NHHEFA) (Huggins Hospital Issue) Series 2017A 2.59% fixed rate direct placement bonds payable in annual installments ranging from \$342,439 in 2020 to \$671,000 in 2046; collateralized by gross revenues and substantially all assets of the Hospital | \$ 13,721,623 | \$ 14,055,318 |
| NHHEFA (Huggins Hospital Issue) Series 2017B variable rate (3.593% at September 30, 2019) direct placement bonds payable in annual installments ranging from \$276,031 in 2020 to \$776,358 in 2046; collateralized by gross revenues and substantially all assets of the Hospital | <u>8,637,813</u> | <u>8,904,182</u> |
| Total long-term debt before unamortized debt issuance costs | 22,359,436 | 22,959,500 |
| Unamortized deferred financing costs | <u>(2,226,751)</u> | <u>(2,306,994)</u> |
| Total long-term debt | 20,132,685 | 20,652,506 |
| Less current portion | <u>618,470</u> | <u>600,064</u> |
| Long-term debt, excluding current portion | <u>\$ 19,514,215</u> | <u>\$ 20,052,442</u> |

Principal maturities are as follows:

| | | |
|------------|-----------|--------------------------|
| 2020 | \$ | 618,470 |
| 2021 | | 639,445 |
| 2022 | | 659,252 |
| 2023 | | 680,380 |
| 2024 | | 701,665 |
| Thereafter | | <u>19,060,224</u> |
| | \$ | <u>22,359,436</u> |

HUGGINS HOSPITAL AND SUBSIDIARY

Notes to Consolidated Financial Statements

September 30, 2019 and 2018

Under its bond agreements with NHHEFA, the Hospital must meet certain restrictive loan covenants. At September 30, 2019, the Hospital was in compliance with its financial covenants related to the bond agreements.

Interest Rate Swap

In connection with the issuance of the 2007 bonds, the Hospital entered into an interest rate swap agreement. The swap agreement's notional amount was \$8,955,000 and \$9,105,000 at September 30, 2019 and 2018, respectively. The swap terminates on October 1, 2042. The Hospital pays a fixed rate of 3.6175% and receives a variable rate of 68% of USD-LIBOR-BBA. The Hospital records the interest rate swap at fair value, and has recorded a liability of \$3,193,584 and \$1,838,679 as of September 30, 2019 and 2018, respectively.

10. Related Parties

As a member of GraniteOne Health, the Hospital shares in various services with the other member hospitals and the parent. For the years ended September 30, 2019 and 2018, the Hospital billed Catholic Medical Center \$43,310 and \$49,879, respectively, and was billed \$1,868,892 and \$846,662, respectively, in shared services. The Hospital also was charged a management fee of \$106,725 and \$92,585 which is included in amounts due to related parties at September 30, 2019 and 2018, respectively.

The Hospital owns the land on which SHRC is built and leases it to SHRC. The rental fee increased from \$2,469 per month in 2018 to \$2,516 per month in 2019. SHRC paid HSH management fees of \$70,325 and \$92,361 for the years ended 2019 and 2018, respectively.

11. Commitments and Contingencies

The Hospital carries malpractice insurance coverage under a claims-made policy. Should the claims-made policy not be renewed or replaced with equivalent insurance, claims based on occurrences during its term, but reported subsequently, will be uninsured. The Hospital intends to renew its coverable on a claims-made basis and has no reason to believe that it may be prevented from renewing such coverage. The Hospital is subject to complaints, claims and litigation due to potential claims which arise in the normal course of business. U.S. GAAP requires the Hospital to accrue the ultimate cost of malpractice claims when the incident that gives rise to the claim occurs, without consideration of insurance recoveries. Expected recoveries are presented as a separate asset. The Hospital has evaluated its exposure to losses arising from potential claims and has properly accounted for them in the consolidated financial statements as of September 30, 2019 and 2018.

The Hospital leases various equipment and facilities under operating leases expiring at various dates through December 2023. Total rental expense in 2019 and 2018 for all operating leases was approximately \$260,000 and \$248,000, respectively.

HUGGINS HOSPITAL AND SUBSIDIARY
Notes to Consolidated Financial Statements
September 30, 2019 and 2018

The following is a schedule by year of future minimum lease payments under operating leases as of September 30, 2019 that have initial or remaining lease terms in excess of one year.

| <u>Year Ending</u> <u>September 30</u> | <u>Amount</u> |
|---|-------------------|
| 2020 | \$ 172,000 |
| 2021 | 40,000 |
| 2022 | 28,000 |
| 2023 | <u>28,000</u> |
| | <u>\$ 268,000</u> |

12. Net Assets with Donor Restrictions

Net assets with donor restrictions are available for the following purposes or periods:

| | <u>2019</u> | <u>2018</u> |
|--|----------------------|----------------------|
| Funds subject to use or time restriction: | | |
| Capital acquisitions | \$ 992,704 | \$ 968,939 |
| Adult daycare | 8,708 | 4,098 |
| Health education | 420 | 20,223 |
| Indigent care | 12,763 | 12,768 |
| Net appreciation of funds of perpetual duration: | | |
| Healthcare services | 7,426,848 | 7,788,826 |
| Indigent care | <u>658,097</u> | <u>690,200</u> |
| | <u>9,099,540</u> | <u>9,485,054</u> |
| Funds of perpetual duration: | | |
| Endowment funds | 3,510,012 | 3,510,012 |
| Beneficial interest in perpetual trust | <u>6,053,687</u> | <u>6,355,445</u> |
| | <u>9,563,699</u> | <u>9,865,457</u> |
| | <u>\$ 18,663,239</u> | <u>\$ 19,350,511</u> |

The Hospital is an income beneficiary of a perpetual trust controlled by an unrelated third-party trustee. The beneficial interest in the assets of the trust is included in the Hospital's consolidated financial statements as net assets with donor restrictions. Income is distributed in accordance with the trust documents and is included in investment return. Trust income distributed to the Hospital for the years ended September 30, 2019 and 2018 was \$256,825 and \$266,502, respectively, and is not restricted.

HUGGINS HOSPITAL AND SUBSIDIARY
Notes to Consolidated Financial Statements
September 30, 2019 and 2018

13. Retirement Plans

Beginning July 2005, the Hospital sponsors a contributory defined contribution plan available to substantially all employees. The Hospital's policy under the defined contribution plan is to fund its portion of amounts due under the plan on a current basis and to recognize expense as incurred. Expense related to this plan for the years ended September 30, 2019 and 2018 approximated \$799,900 and \$731,900, respectively.

The Hospital sponsored a defined benefit pension plan that covered substantially all employees. In June 2011, the Board of Trustees voted to curtail benefits under the defined benefit plan effective October 1, 2011. All benefits for active employees became fully vested at that time. In November 2017, the Hospital voted to terminate the defined benefit pension plan. The plan was fully funded and settled in August 2018.

The following table sets forth the funded status of the defined benefit plan and amounts recognized in the Hospital's consolidated financial statements as of and for the year ended September 30, 2018:

| | |
|--|---------------------|
| Change in projected benefit obligation: | |
| Benefit obligation, beginning of year | \$ 17,517,632 |
| Interest cost | 583,966 |
| Actuarial gain | (777,070) |
| Benefits paid | (505,327) |
| Gain on settlement | (736,461) |
| Plan settlement | <u>(16,082,740)</u> |
| Benefit obligation, end of year | <u>\$ -</u> |
| Change in plan assets | |
| Fair value of plan assets, beginning of year | \$ 13,517,217 |
| Actual return on plan assets | 27,947 |
| Employer contributions | 3,230,000 |
| Benefits paid | (505,327) |
| Plan settlement | <u>(16,082,740)</u> |
| Fair value of plan assets, end of year | <u>\$ 187,097</u> |
| Funded status - accrued asset | <u>\$ 187,097</u> |

HUGGINS HOSPITAL AND SUBSIDIARY
Notes to Consolidated Financial Statements
September 30, 2019 and 2018

The incremental increase in the amounts recognized in other changes in net assets without donor restrictions was \$6,622,913 in 2018. This amount has been reflected outside the excess of revenues and gains over expenses in the consolidated statements of operations.

Net pension cost for the Plan included the following components for the year ended September 30, 2018:

| | |
|---|---------------------|
| Interest cost on projected benefit obligation | \$ 583,966 |
| Expected return on Plan assets | (148,427) |
| Amortization of net loss | 577,647 |
| Settlement expense | <u>4,652,215</u> |
| Net periodic pension benefit cost | <u>\$ 5,665,401</u> |

14. Concentrations of Credit Risk

The Hospital has cash balances in financial institutions that exceed federal depository insurance limits. However, management believes that credit risk related to these investments is minimal. The Hospital has not experienced any losses in such accounts.

The Hospital grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors was as follows as of September 30:

| | <u>2019</u> | <u>2018</u> |
|--------------------------|--------------|--------------|
| Medicare | 38 % | 42 % |
| Medicaid | 7 | 6 |
| Anthem Blue Cross | 12 | 8 |
| Other third-party payors | 26 | 21 |
| Patients | <u>17</u> | <u>23</u> |
| | <u>100 %</u> | <u>100 %</u> |

HUGGINS HOSPITAL AND SUBSIDIARY

Notes to Consolidated Financial Statements

September 30, 2019 and 2018

15. Functional Expenses

The statements of operations report certain expense categories that are attributable to both healthcare services and support functions. Therefore, these expenses require an allocation on a reasonable basis that is consistently applied. Fringe benefits are allocated based on salaries and wages, and depreciation, interest, utilities, and equipment are allocated based on square footage and location. Expenses related to providing healthcare and support services are as follows for the year ended September 30, 2019:

| | <u>Program Services</u> | <u>General and Administrative</u> | <u>Fundraising</u> | <u>Total</u> |
|--------------------------------------|-----------------------------|---------------------------------------|--------------------|----------------------|
| Salaries, wages, and fringe benefits | \$ 26,431,136 | \$ 9,980,397 | \$ 137,174 | \$ 36,548,707 |
| Supplies | 5,383,356 | 1,037,561 | - | 6,420,917 |
| Physician fees | 3,834,940 | - | - | 3,834,940 |
| Medicaid enhancement tax | 2,453,191 | - | - | 2,453,191 |
| Depreciation and amortization | 2,757,252 | 1,996,629 | - | 4,753,881 |
| Interest | 571,250 | 413,664 | - | 984,914 |
| Contracted services | 3,127,510 | - | - | 3,127,510 |
| Other professional services | 1,199,259 | 900,196 | 83,806 | 2,183,261 |
| Utilities | 1,098,703 | 795,613 | - | 1,894,316 |
| Insurance | 390,427 | 417,622 | - | 808,049 |
| Minor equipment costs | 480,977 | 348,294 | - | 829,271 |
| Other | <u>636,432</u> | <u>611,230</u> | <u>1,520</u> | <u>1,249,182</u> |
| | <u>\$ 48,364,433</u> | <u>\$ 16,501,206</u> | <u>\$ 222,500</u> | <u>\$ 65,088,139</u> |

SUPPLEMENTARY INFORMATION

HUGGINS HOSPITAL AND SUBSIDIARY

Consolidating Balance Sheet

September 30, 2019

ASSETS

| | Huggins Hospital | Huggins Senior Housing | Eliminations | Consolidated |
|--|-----------------------|------------------------------|---------------------|-----------------------|
| Current assets | | | | |
| Cash and cash equivalents | \$ 10,615,033 | \$ 282,576 | \$ - | \$ 10,897,609 |
| Accounts receivable from patients, net | 8,802,983 | - | - | 8,802,983 |
| Due from related party | 700,000 | - | (700,000) | - |
| Other accounts and notes receivable | 1,489,082 | 11,810 | - | 1,500,892 |
| Other current assets | <u>1,087,758</u> | <u>460,040</u> | <u>-</u> | <u>1,547,798</u> |
| Total current assets | 22,694,856 | 754,426 | (700,000) | 22,749,282 |
| Assets limited as to use | 43,525,942 | - | - | 43,525,942 |
| Property and equipment, net | 45,582,298 | 256,699 | - | 45,838,997 |
| Long-term investments | 12,031,012 | - | - | 12,031,012 |
| Beneficial interest in perpetual trust | 6,053,687 | - | - | 6,053,687 |
| Cash surrender value of life insurance | 1,248,266 | - | - | 1,248,266 |
| Due from subsidiary | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total assets | <u>\$ 131,136,061</u> | <u>\$ 1,011,125</u> | <u>\$ (700,000)</u> | <u>\$ 131,447,186</u> |

LIABILITIES AND NET ASSETS (DEFICIT)

| | | | | |
|--|-----------------------|---------------------|---------------------|-----------------------|
| Current liabilities | | | | |
| Accounts payable and other current liabilities | \$ 3,107,653 | \$ 441,732 | \$ - | \$ 3,549,385 |
| Accrued salaries and related accounts | 2,386,134 | - | - | 2,386,134 |
| Current portion of long-term debt | 618,470 | - | - | 618,470 |
| Due to related parties | 1,534,198 | - | - | 1,534,198 |
| Current portion Estimated third-party payor settlements | <u>2,700,729</u> | <u>-</u> | <u>-</u> | <u>2,700,729</u> |
| Total current liabilities | 10,347,184 | 441,732 | - | 10,788,916 |
| Current portion of estimated third-party payor settlements | 21,155,391 | - | - | 21,155,391 |
| Interest rate swap | 3,193,584 | - | - | 3,193,584 |
| Long-term debt, excluding current portion | 19,514,215 | - | - | 19,514,215 |
| Due to subsidiary | <u>-</u> | <u>700,000</u> | <u>(700,000)</u> | <u>-</u> |
| Total liabilities | <u>54,210,374</u> | <u>1,141,732</u> | <u>(700,000)</u> | <u>54,652,106</u> |
| Net assets (deficit) | | | | |
| Without donor restrictions | 58,262,448 | (130,607) | - | 58,131,841 |
| With donor restrictions | <u>18,663,239</u> | <u>-</u> | <u>-</u> | <u>18,663,239</u> |
| Total net assets (deficit) | <u>76,925,687</u> | <u>(130,607)</u> | <u>-</u> | <u>76,795,080</u> |
| Total liabilities and net assets (deficit) | <u>\$ 131,136,061</u> | <u>\$ 1,011,125</u> | <u>\$ (700,000)</u> | <u>\$ 131,447,186</u> |

HUGGINS HOSPITAL AND SUBSIDIARY

Consolidating Statement of Operations

Year Ended September 30, 2019

| | Huggins Hospital | Huggins Senior Housing | Eliminations | Consolidated |
|---|-----------------------|------------------------------|-----------------|---------------------|
| Revenues, gains, and other support without donor restrictions | | | | |
| Patient service revenue (net of discounts and contractual allowances) | \$ 62,399,259 | \$ - | \$ - | \$ 62,399,259 |
| Less provision for bad debts | <u>3,120,778</u> | <u>-</u> | <u>-</u> | <u>3,120,778</u> |
| Net patient service revenue | 59,278,481 | - | - | 59,278,481 |
| Other operating revenues | 5,066,494 | 355,058 | (10,000) | 5,411,552 |
| Investment income allotted for operations | 564,000 | - | - | 564,000 |
| Net assets released from restrictions for operating purposes | <u>48,026</u> | <u>-</u> | <u>-</u> | <u>48,026</u> |
| Total revenues and gains | <u>64,957,001</u> | <u>355,058</u> | <u>(10,000)</u> | <u>65,302,059</u> |
| Expenses | | | | |
| Salaries, wages and fringe benefits | 36,548,707 | - | - | 36,548,707 |
| Supplies | 6,420,917 | - | - | 6,420,917 |
| Physician fees | 3,834,940 | - | - | 3,834,940 |
| Other | 9,929,137 | 172,452 | (10,000) | 10,091,589 |
| Medicaid enhancement tax | 2,453,191 | - | - | 2,453,191 |
| Depreciation and amortization | 4,732,129 | 21,752 | - | 4,753,881 |
| Interest | <u>984,914</u> | <u>-</u> | <u>-</u> | <u>984,914</u> |
| Total expenses | <u>64,903,935</u> | <u>194,204</u> | <u>(10,000)</u> | <u>65,088,139</u> |
| Operating income | <u>53,066</u> | <u>160,854</u> | <u>-</u> | <u>213,920</u> |
| Nonoperating gains (losses) | | | | |
| Contributions | 278,454 | - | - | 278,454 |
| Development costs | (173,627) | - | - | (173,627) |
| Nonoperating investment income | 3,886,039 | - | - | 3,886,039 |
| Change in value of interest rate swap | (1,354,905) | - | - | (1,354,905) |
| Affiliation costs | <u>(595,187)</u> | <u>-</u> | <u>-</u> | <u>(595,187)</u> |
| Nonoperating gains, net | <u>2,040,774</u> | <u>-</u> | <u>-</u> | <u>2,040,774</u> |
| Excess of revenues and gains over expenses | 2,093,840 | 160,854 | - | 2,254,694 |
| Net assets released from restrictions for capital acquisitions | 3,500 | - | - | 3,500 |
| Net unrealized losses on investments | <u>(3,132,760)</u> | <u>-</u> | <u>-</u> | <u>(3,132,760)</u> |
| (Decrease) increase in net assets without donor restrictions | <u>\$ (1,035,420)</u> | <u>\$ 160,854</u> | <u>\$ -</u> | <u>\$ (874,566)</u> |