

MARCUM
ACCOUNTANTS ▲ ADVISORS

AUGUST 12, 2016

DONNA GILBERT
JOHNSON MEMORIAL HOSPITAL
201 CHESTNUT HILL ROAD
STAFFORD SPRINGS, CT 06076

DEAR DONNA:

ENCLOSED ARE THE ORGANIZATION'S 2014 EXEMPT ORGANIZATION RETURNS. THE STATE EXEMPT ORGANIZATION RETURN IS ALSO ENCLOSED. THESE SHOULD BE SIGNED, DATED, AND MAILED, AS INDICATED.

SPECIFIC FILING INSTRUCTIONS ARE AS FOLLOWS.

FORM 990 RETURN:

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

FORM 990-T RETURN:

NO AMOUNT IS DUE ON FORM 990-T.

PLEASE SIGN AND MAIL ON OR BEFORE AUGUST 15, 2016.

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

CONNECTICUT FORM CT-990T RETURN:

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

PLEASE SIGN AND MAIL FORM CT-990T ON OR BEFORE AUGUST 15, 2016.

NO PAYMENT IS REQUIRED.



MARCUMGROUP
MEMBER

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

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

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

VERY TRULY YOURS,

DOUGLAS J. FARRINGTON
MARCUM LLP

Form **8879-EO**

IRS e-file Signature Authorization for an Exempt Organization

OMB No. 1545-1878

For calendar year 2014, or fiscal year beginning OCT 1, 2014, and ending SEP 30, 2015

2014

Department of the Treasury
Internal Revenue Service

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

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

Name of exempt organization

Employer identification number

JOHNSON MEMORIAL HOSPITAL INC

06-0646696

Name and title of officer

**STUART E ROSENBERG
PRESIDENT**

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

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

1a Form 990 check here ▶ <input checked="" type="checkbox"/>	b Total revenue , if any (Form 990, Part VIII, column (A), line 12)	1b <u>69,672,914.</u>
2a Form 990-EZ check here ▶ <input type="checkbox"/>	b Total revenue , if any (Form 990-EZ, line 9)	2b _____
3a Form 1120-POL check here ▶ <input type="checkbox"/>	b Total tax (Form 1120-POL, line 22)	3b _____
4a Form 990-PF check here ▶ <input type="checkbox"/>	b Tax based on investment income (Form 990-PF, Part VI, line 5)	4b _____
5a Form 8868 check here ▶ <input type="checkbox"/>	b Balance Due (Form 8868, Part I, line 3c or Part II, line 8c)	5b _____

Part II Declaration and Signature Authorization of Officer

Under penalties of perjury, I declare that I am an officer of the above organization and that I have examined a copy of the organization's 2014 electronic return and accompanying schedules and statements and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the organization's electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the organization's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the organization's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the organization's electronic return and, if applicable, the organization's consent to electronic funds withdrawal.

Officer's PIN: check one box only

I authorize MARCUM LLP to enter my PIN 01378
ERO firm name Enter five numbers, but do not enter all zeros

as my signature on the organization's tax year 2014 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I also authorize the aforementioned ERO to enter my PIN on the return's disclosure consent screen.

As an officer of the organization, I will enter my PIN as my signature on the organization's tax year 2014 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I will enter my PIN on the return's disclosure consent screen.

Officer's signature ▶ _____ Date ▶ _____

Part III Certification and Authentication

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

06411606703

do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2014 electronically filed return for the organization indicated above. I confirm that I am submitting this return in accordance with the requirements of **Pub. 4163**, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns.

ERO's signature ▶ _____ Date ▶ _____

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

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

Do not enter social security numbers on this form as it may be made public.

Information about Form 990 and its instructions is at www.irs.gov/form990.

A For the 2014 calendar year, or tax year beginning **OCT 1, 2014** and ending **SEP 30, 2015**

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 JOHNSON MEMORIAL HOSPITAL INC Doing business as Number and street (or P.O. box if mail is not delivered to street address) Room/suite 201 CHESTNUT HILL ROAD City or town, state or province, country, and ZIP or foreign postal code STAFFORD SPRINGS, CT 06076	D Employer identification number 06-0646696 E Telephone number (860) 684-4251
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 \$ 69,672,914.
J Website: WWW.JMMC.COM		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		L Year of formation: 1912 M State of legal domicile: CT
Part I Summary		

Part I	Summary		
Activities & Governance	1 Briefly describe the organization's mission or most significant activities: JOHNSON MEMORIAL HOSPITAL PROVIDES NEEDED MEDICAL CARE TO THE COMMUNITY REGARDLESS OF ANY		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	16
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	15
	5 Total number of individuals employed in calendar year 2014 (Part V, line 2a)	5	711
	6 Total number of volunteers (estimate if necessary)	6	146
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	359,805.
	b Net unrelated business taxable income from Form 990-T, line 34	7b	-84,761.
Revenue		Prior Year	Current Year
	8 Contributions and grants (Part VIII, line 1h)	126,300.	450,062.
	9 Program service revenue (Part VIII, line 2g)	71,065,197.	68,501,734.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	165,497.	177,117.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	458,524.	544,001.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	71,815,518.	69,672,914.
Expenses			
	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0.	0.
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	30,710,287.	31,020,274.
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
	b Total fundraising expenses (Part IX, column (D), line 25)	0.	0.
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	39,878,062.	42,333,789.
	18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	70,588,349.	73,354,063.
	19 Revenue less expenses. Subtract line 18 from line 12	1,227,169.	-3,681,149.
Net Assets or Fund Balances		Beginning of Current Year	End of Year
	20 Total assets (Part X, line 16)	45,503,735.	52,185,633.
	21 Total liabilities (Part X, line 26)	37,212,760.	47,943,209.
	22 Net assets or fund balances. Subtract line 21 from line 20	8,290,975.	4,242,424.

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

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission: JOHNSON MEMORIAL HOSPITAL PROVIDES NEEDED MEDICAL CARE TO THE COMMUNITY REGARDLESS OF ANY INDIVIDUALS ABILITY TO PAY. SERVICES INCLUDE INPATIENT ROUTINE, INPATIENT ANCILLIARY, AND OUTPATIENT CARE IN SUPPORT OF THE HOSPITALS HEALTHCARE MISSION

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 No

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

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

4a (Code:) (Expenses \$ 63,199,092. including grants of \$) (Revenue \$ 68,853,260.) INPATIENT AND OUTPATIENT CARE EXPENSES RELATED TO SERVICES PERFORMED FOR PATIENTS OF JOHNSON MEMORIAL CONTRIBUTE IMPORTANTLY TO IT'S EXEMPT PURPOSE BECAUSE THE EXPENSES ARE INCURRED IN THE DIAGNOSIS, CURE, MITIGATION AND PREVENTION OF DISEASE AND FOR MEDICAL PURPOSES AFFECTING THE STRUCTURE OR FUNCTION OF THE HUMAN BODY (80,918 OUTPATIENT VISITS AND 18,203 INPATIENT DAYS)

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 63,199,092.

Part IV Checklist of Required Schedules

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

Part IV Checklist of Required Schedules (continued)

	Yes	No
21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>		X
22 Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>		X
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	X	
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i>		X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
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?		
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
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

Input box for Schedule O check

Main table with columns for question number, description, and Yes/No checkboxes. Includes rows 1a-14b with various tax-related questions and numerical inputs.

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.		
1b	Enter the number of voting members included in line 1a, above, who are independent		
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	
7b	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:		
8a	a The governing body?	X	
8b	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
10b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	X	
11b	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	
12b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
12c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	X	
13	Did the organization have a written whistleblower policy?	X	
14	Did the organization have a written document retention and destruction policy?	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
15a	a The organization's CEO, Executive Director, or top management official	X	
15b	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	
16b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	X	

Section C. Disclosure

- 17** List the states with which a copy of this Form 990 is required to be filed **NONE**
- 18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
 Own website Another's website Upon request Other (explain in Schedule O)
- 19** Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
- 20** State the name, address, and telephone number of the person who possesses the organization's books and records: **JANE MOONAN - (860) 684-8136**
201 CHESTNUT HILL ROAD, STAFFORD SPRINGS, CT 06076

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) PHIL TARTSINIS DIRECTOR	2.00	X					0.	0.	0.	
(2) PATRICK MAHON CHAIRMAN	2.00	X		X			0.	0.	0.	
(3) JAMES MAKUCH VICE CHAIRMAN	2.00	X		X			0.	0.	0.	
(4) EVELYNE A PARIZEK SECRETARY	2.00	X		X			0.	0.	0.	
(5) DAVID J. O'CONNOR TREASURER	2.00	X		X			0.	0.	0.	
(6) MICHAEL P KROL DIRECTOR	2.00	X					0.	0.	0.	
(7) JOHN W PATTON DIRECTOR	2.00	X					0.	0.	0.	
(8) CHRISTOPHER DADLEZ DIRECTOR	2.00	X					0.	0.	0.	
(9) YOUNUS F MASIH MD DIRECTOR	2.00	X					0.	0.	0.	
(10) JOSEPH IANELLO MD DIRECTOR	2.00	X					0.	0.	0.	
(11) CATHRYN-JEAN FLEMING ESQ DIRECTOR	2.00	X					0.	0.	0.	
(12) KEVIN SULLIVAN DIRECTOR	2.00	X					0.	0.	0.	
(13) R CHRISTOPHER HARTLEY DIRECTOR	2.00	X					0.	0.	0.	
(14) JOHN RODIS MD DIRECTOR	2.00	X					0.	0.	0.	
(15) DAVID BITTNER DIRECTOR	2.00	X					0.	0.	0.	
(16) JOHN P. KEARNEY DIRECTOR	2.00	X					0.	0.	0.	
(17) STUART E ROSENBERG PRESIDENT/CEO	50.00			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) JOHN GRISH CHIEF FINANCIAL OFFICER	50.00			X			266,742.	0.	12,596.	
(19) DONNA MEGLIOLA ASSISTANT VP	50.00				X		132,239.	0.	9,716.	
(20) KARL KAMYK VP ANCILLIARY SERVICES	50.00				X		131,158.	0.	958.	
(21) STEPHEN CZAJA RN	50.00				X		135,592.	0.	12,909.	
(22) LORELEI SULLIVAN RN	50.00				X		119,936.	0.	15,601.	
(23) DIANNE MALSBURY RN	50.00				X		119,345.	0.	13,578.	
1b Sub-total							905,012.	0.	65,358.	
c Total from continuation sheets to Part VII, Section A							0.	0.	0.	
d Total (add lines 1b and 1c)							905,012.	0.	65,358.	

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 **29**

	Yes	No
3 Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		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? <i>If "Yes," complete Schedule J for such individual</i>	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? <i>If "Yes," complete Schedule J for such person</i>	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
REID AND RIEGE PC ONE FINANCIAL PLAZA, HARTFORD, CT 06103	LEGAL SERVICES	567,413.
NORTHEAST EMERGENCY MEDICINE SPECIALISTS P.O. BOX 742528, DALLAS, TX 75374	ER PHYSICIAN SERVICES	533,832.
INSIGHT HEALTH CORP P.O. BOX 847689, DALLAS, TX 75284	MRI SERVICES	521,188.
DELOITTE FINANCIAL ADVISORY SERVICES P.O. BOX 2062, CAROL STREAM, IL 60132	FINANCIAL SERVICES	381,156.
SOMERS ANESTHESIOLOGY ASSOCIATES INC 99 EAST RIVER DR., EAST HARTFORD, CT 06108	PROFESSIONAL SERVICES	334,597.

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 **14**

Part VIII Statement of Revenue

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

				(A)	(B)	(C)	(D)	
				Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512 - 514	
Contributions, Gifts, Grants and Other Similar Amounts	1 a Federated campaigns	1a						
	b Membership dues	1b						
	c Fundraising events	1c						
	d Related organizations	1d						
	e Government grants (contributions)	1e						
	f All other contributions, gifts, grants, and similar amounts not included above	1f	450,062.					
	g Noncash contributions included in lines 1a-1f: \$							
	h Total. Add lines 1a-1f			450,062.				
Program Service Revenue	2 a PATIENT SERVICE REVENUE	Business Code	622000	68,501,734.	68,141,929.	359,805.		
	b							
	c							
	d							
	e							
	f All other program service revenue							
	g Total. Add lines 2a-2f			68,501,734.				
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)			159,417.			159,417.	
	4 Income from investment of tax-exempt bond proceeds							
	5 Royalties							
	6 a Gross rents	(i) Real	(ii) Personal					
		b Less: rental expenses						
		c Rental income or (loss)						
		d Net rental income or (loss)						
	7 a Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other					
		b Less: cost or other basis and sales expenses		17,700.				
		c Gain or (loss)		0.				
		d Net gain or (loss)		17,700.	17,700.			17,700.
	8 a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	a						
		b Less: direct expenses	b					
		c Net income or (loss) from fundraising events						
	9 a Gross income from gaming activities. See Part IV, line 19	a						
b Less: direct expenses		b						
c Net income or (loss) from gaming activities								
10 a Gross sales of inventory, less returns and allowances	a							
	b Less: cost of goods sold	b						
	c Net income or (loss) from sales of inventory							
Miscellaneous Revenue			Business Code					
11 a PATHOLOGY REVENUE			621500	245,000.	245,000.			
	b CAFE INCOME		722212	192,475.			192,475.	
		c JOINT VENTURE REVENUE		900099	69,138.	69,138.		
	d All other revenue		900099	37,388.	37,388.			
	e Total. Add lines 11a-11d			544,001.				
12 Total revenue. See instructions.				69,672,914.	68,493,455.	359,805.	369,592.	

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				
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	306,810.		306,810.	
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	24,534,104.	23,365,856.	1,168,248.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)				
9 Other employee benefits	4,258,439.	4,029,369.	229,070.	
10 Payroll taxes	1,920,921.	1,808,427.	112,494.	
11 Fees for services (non-employees):				
a Management				
b Legal	96,866.		96,866.	
c Accounting	97,600.		97,600.	
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.)	11,753,378.	9,617,561.	2,135,817.	
12 Advertising and promotion	153,960.	44,146.	109,814.	
13 Office expenses	1,485,477.	1,258,972.	226,505.	
14 Information technology	970,450.	873,405.	97,045.	
15 Royalties				
16 Occupancy	2,589,529.	2,460,053.	129,476.	
17 Travel	51,935.	48,011.	3,924.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	923,127.		923,127.	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	1,804,652.	1,714,420.	90,232.	
23 Insurance	1,149,097.	50,390.	1,098,707.	
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 PHARMACY SUPPLIES	6,431,368.	6,431,368.		
b MEDICAL/SURGICAL SUPPLI	5,469,736.	5,469,736.		
c BAD DEBT	3,114,217.	3,114,217.		
d REORGANIZATION COSTS	1,966,388.		1,966,388.	
e All other expenses	4,276,009.	2,913,161.	1,362,848.	
25 Total functional expenses. Add lines 1 through 24e	73,354,063.	63,199,092.	10,154,971.	0.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

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

Part X Balance Sheet

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

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing	444,722.	1	1,675,852.
	2 Savings and temporary cash investments		2	
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	9,175,969.	4	9,884,846.
	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	1,295,797.	8	1,497,131.
	9 Prepaid expenses and deferred charges	1,387,559.	9	1,200,353.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 66,495,421.		
	b Less: accumulated depreciation	10b 45,821,926.	16,413,662.	10c 20,673,495.
	11 Investments - publicly traded securities	4,860,958.	11	4,494,425.
	12 Investments - other securities. See Part IV, line 11		12	
	13 Investments - program-related. See Part IV, line 11	3,397,937.	13	3,467,075.
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11	8,527,131.	15	9,292,456.
16 Total assets. Add lines 1 through 15 (must equal line 34)	45,503,735.	16	52,185,633.	
Liabilities	17 Accounts payable and accrued expenses	13,108,735.	17	8,103,914.
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities		20	
	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	11,987,500.	23	15,569,367.
	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	12,116,525.	25	24,269,928.
	26 Total liabilities. Add lines 17 through 25	37,212,760.	26	47,943,209.
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	3,321,184.	27	-498,600.
	28 Temporarily restricted net assets	332,881.	28	471,516.
	29 Permanently restricted net assets	4,636,910.	29	4,269,508.
	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	8,290,975.	33	4,242,424.	
34 Total liabilities and net assets/fund balances	45,503,735.	34	52,185,633.	

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	69,672,914.
2	Total expenses (must equal Part IX, column (A), line 25)	2	73,354,063.
3	Revenue less expenses. Subtract line 2 from line 1	3	-3,681,149.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	8,290,975.
5	Net unrealized gains (losses) on investments	5	
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	-367,402.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	4,242,424.

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		

Form 990 (2014)

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No. 1545-0047

2014

Open to Public Inspection

Name of the organization **JOHNSON MEMORIAL HOSPITAL INC** Employer identification number **06-0646696**

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

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

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

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (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		
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) 2010	(b) 2011	(c) 2012	(d) 2013	(e) 2014	(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) 2010	(b) 2011	(c) 2012	(d) 2013	(e) 2014	(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 2014 (line 6, column (f) divided by line 11, column (f))	14	%
15 Public support percentage from 2013 Schedule A, Part II, line 14	15	%
16a 33 1/3% support test - 2014. 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 - 2013. 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 - 2014. 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 - 2013. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions		<input type="checkbox"/>

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

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2010	(b) 2011	(c) 2012	(d) 2013	(e) 2014	(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) 2010	(b) 2011	(c) 2012	(d) 2013	(e) 2014	(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 2014 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2013 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2014 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2013 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests - 2014. 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 - 2013. 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 on line 11 of Part I. If you checked 11a of Part I, complete Sections A and B. If you checked 11b of Part I, complete Sections A and C. If you checked 11c of Part I, complete Sections A, D, and E. If you checked 11d of Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

	Yes	No
1 Are all of the organization's supported organizations listed by name in the organization's governing documents? <i>If "No" describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.</i>		
2 Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? <i>If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).</i>		
3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? <i>If "Yes," answer (b) and (c) below.</i>		
b Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? <i>If "Yes," describe in Part VI when and how the organization made the determination.</i>		
c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2) (B) purposes? <i>If "Yes," explain in Part VI what controls the organization put in place to ensure such use.</i>		
4a Was any supported organization not organized in the United States ("foreign supported organization")? <i>If "Yes" and if you checked 11a or 11b in Part I, answer (b) and (c) below.</i>		
b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? <i>If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.</i>		
c Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? <i>If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.</i>		
5a Did the organization add, substitute, or remove any supported organizations during the tax year? <i>If "Yes," answer (b) and (c) below (if applicable). Also, provide detail in Part VI, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed, (ii) the reasons for each such action, (iii) the authority under the organization's organizing document authorizing such action, and (iv) how the action was accomplished (such as by amendment to the organizing document).</i>		
b Type I or Type II only. Was any added or substituted supported organization part of a class already designated in the organization's organizing document?		
c Substitutions only. Was the substitution the result of an event beyond the organization's control?		
6 Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (a) its supported organizations; (b) individuals that are part of the charitable class benefited by one or more of its supported organizations; or (c) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? <i>If "Yes," provide detail in Part VI.</i>		
7 Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (defined in IRC 4958(c)(3)(C)), a family member of a substantial contributor, or a 35-percent controlled entity with regard to a substantial contributor? <i>If "Yes," complete Part I of Schedule L (Form 990).</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).</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 9(a)) 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 9(a)) 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 IRC 4943 because of IRC 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? <i>If "Yes," answer (b) 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. 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, (1) a written notice describing the type and amount of support provided during the prior tax year, (2) a copy of the Form 990 that was most recently filed as of the date of notification, and (3) 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. 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 2014 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-2014	(iii) Distributable Amount for 2014
1 Distributable amount for 2014 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2014 (reasonable cause required-see instructions)			
3 Excess distributions carryover, if any, to 2014:			
a			
b			
c			
d			
e From 2013			
f Total of lines 3a through e			
g Applied to underdistributions of prior years			
h Applied to 2014 distributable amount			
i Carryover from 2009 not applied (see instructions)			
j Remainder. Subtract lines 3g, 3h, and 3i from 3f.			
4 Distributions for 2014 from Section D, line 7: \$			
a Applied to underdistributions of prior years			
b Applied to 2014 distributable amount			
c Remainder. Subtract lines 4a and 4b from 4.			
5 Remaining underdistributions for years prior to 2014, if any. Subtract lines 3g and 4a from line 2 (if amount greater than zero, see instructions).			
6 Remaining underdistributions for 2014. Subtract lines 3h and 4b from line 1 (if amount greater than zero, see instructions).			
7 Excess distributions carryover to 2015. Add lines 3j and 4c.			
8 Breakdown of line 7:			
a			
b			
c			
d Excess from 2013			
e Excess from 2014			

Schedule A (Form 990 or 990-EZ) 2014

Part VI Supplemental Information. Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12.
Also complete this part for any additional information. (See instructions).

[Lined area for supplemental information]

Schedule B

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

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

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

OMB No. 1545-0047

2014

Name of the organization

JOHNSON MEMORIAL HOSPITAL INC

Employer identification number

06-0646696

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

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

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

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

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

501(c)(3) taxable private foundation

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

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

General Rule

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

Special Rules

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

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

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

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

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF. Schedule B (Form 990, 990-EZ, or 990-PF) (2014)

Name of organization JOHNSON MEMORIAL HOSPITAL INC	Employer identification number 06-0646696
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Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	ESTATE OF ELSIE M SMITH 2885 MAIN STREET STRATFORD, CT 06614	\$ 155,222.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
2	ESTATE OF MARGARET L MULAK 144 MOUNTAIN ROAD SOMERS, CT 06071	\$ 60,475.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
3	JOHNSON MEMORIAL HOSPITAL MEDICAL STAFF 201 CHESTNUT HILL ROAD STAFFORD SPRINGS, CT 06076	\$ 20,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
4	REID & RIEGE PC ONE FINANCIAL PLAZA HARTFORD, CT 06103	\$ 14,115.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
5	JOHNSON MEMORIAL HOSPITAL AUXILIARY GIFT SHOP 201 CHESTNUT HILL ROAD STAFFORD SPRINGS, CT 06076	\$ 11,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
6	CONNECTICARE 175 SCOTT SWAP ROAD FARMINGTON, CT 06032	\$ 10,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization JOHNSON MEMORIAL HOSPITAL INC	Employer identification number 06-0646696
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Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
7	JOHNSON MEMORIAL HOSPITAL AUXILIARY 201 CHESTNUT HILL ROAD STAFFORD SPRINGS, CT 06076	\$ 9,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
8	BIG Y FOODS PO BOX 7840 SPRINGFIELD, MA 01115	\$ 9,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
9	COMMUNITY FOUNDATION OF WESTERN MA 1500 MAIN STREET PO BOX 15769 SPRINGFIELD, MA 01115	\$ 5,500.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
10	AMF PROPERTY MANAGEMENT CORP 855 SULLIVAN AVENUE SOUTH WINDSOR, CT 06074	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
11	CM SMITH AGENCY 100 PEARL STREET, THIRD FLOOR, WEST TOWER HARTFORD, CT 06103	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
12	MIDCAP FINANCIAL SERVICES 7255 WOODMONT AVENUE, SUITE 200 BETHESDA, MD 20814	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization JOHNSON MEMORIAL HOSPITAL INC	Employer identification number 06-0646696
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Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
13	RADIOLOGY ASSOCIATES OF HARTFORD 1000 ASYLUM AVENUE, SUITE 3201E HARTFORD, CT 06105	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
14	WOODLAND ANESTHESIOLOGY ASSOCIATES PC 114 WOODLAND STREET HARTFORD, CT 06105	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	_____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	_____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	_____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	_____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization JOHNSON MEMORIAL HOSPITAL INC	Employer identification number 06-0646696
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Part II Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed.

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

Name of organization JOHNSON MEMORIAL HOSPITAL INC	Employer identification number 06-0646696
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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	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

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

OMB No. 1545-0047

2014

Open to Public Inspection

Name of the organization **JOHNSON MEMORIAL HOSPITAL INC** Employer identification number **06-0646696**

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

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate 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" to Form 990, Part IV, line 7.

- 1 Purpose(s) of conservation easements held by the organization (check all that apply).
 Preservation of land for public use (e.g., recreation or education) Preservation of 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 8/17/06, and not on a historic structure listed in the National Register | 2d |
- 3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____
- 4 Number of states where property subject to conservation easement is located ▶ _____
- 5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?
- Yes No
- 6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ _____
- 7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ _____
- 8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?
- Yes No
- 9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

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

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

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

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

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

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

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

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

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

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

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

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

2a Did the organization include an amount on Form 990, Part X, line 21, 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 in Part XIII

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

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	841,760.	841,760.	841,760.	841,760.	841,760.
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance	841,760.	841,760.	841,760.	841,760.	841,760.

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

- a Board designated or quasi-endowment _____ %
- b Permanent endowment 100.00 %
- c Temporarily restricted endowment _____ %

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

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

	Yes	No
(i) unrelated organizations		X
(ii) related organizations		X
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b	

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" to 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		406,997.		406,997.
b Buildings		24,162,114.	14,463,476.	9,698,638.
c Leasehold improvements		568,115.	145,229.	422,886.
d Equipment		33,714,468.	29,832,973.	3,881,495.
e Other		7,643,727.	1,380,248.	6,263,479.
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				20,673,495.

Part VII Investments - Other Securities.

Complete if the organization answered "Yes" to 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" to 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) INVESTMENT IN JOINT		
(2) VENTURES	3,467,075.	COST
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 13.) ▶	3,467,075.	

Part IX Other Assets.

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

(a) Description	(b) Book value
(1) DUE FROM AFFILIATED CORPORATIONS	7,627,674.
(2) RECEIVABLE - MALPRACTICE INSURANCE	1,200,413.
(3) DEFERRED FINANCING COSTS, NET	158,369.
(4) DEPOSITS	306,000.
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	9,292,456.

Part X Other Liabilities.

Complete if the organization answered "Yes" to 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) ESTIMATED AMOUNTS DUE TO	
(3) THIRD-PARTY AGENCIES	2,212,362.
(4) DUE TO AFFILIATE CORPORATIONS	2,533,717.
(5) PAYMENTS DUE UNDER PLAN OF	
(6) REORGANIZATION	6,461,107.
(7) OTHER LONG-TERM DEBT - DUE TO	
(8) SAINT FRANCIS	2,350,000.
(9) OBLIGATIONS UNDER CAPITAL LEASES	5,410,331.
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	24,269,928.

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" to 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" to 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 X, LINE 2:

THE CORPORATION, THE HOSPITAL, EVERGREEN, HCHS, HEALTH CARE, AND DEVELOPMENT ARE GENERALLY EXEMPT FROM INCOME TAXES UNDER INTERNAL REVENUE CODE, SECTION 501(A), AS ORGANIZATIONS DESCRIBED IN SECTION 501(C)(3). JPA IS A PROFESSIONAL CORPORATION THAT HAS EXPERIENCED LOSSES SINCE INCEPTION AND ACCORDINGLY, NO PROVISIONS FOR FEDERAL OR STATE INCOME TAXES HAVE BEEN RECORDED.

THE ORGANIZATION ACCOUNTS FOR UNCERTAINTY IN INCOME TAX POSITIONS IN THE CONSOLIDATED FINANCIAL STATEMENTS BY APPLYING A RECOGNITION THRESHOLD AND MEASUREMENT ATTRIBUTE FOR FINANCIAL STATEMENT RECOGNITION AND MEASUREMENT OF A TAX POSITION TAKEN OR EXPECTED TO BE TAKEN IN A TAX RETURN.

**SCHEDULE H
(Form 990)**

Hospitals

OMB No. 1545-0047

2014

Department of the Treasury
Internal Revenue Service

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

Open to Public Inspection

Name of the organization **JOHNSON MEMORIAL HOSPITAL INC** Employer identification number **06-0646696**

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	X	
b If "Yes," was it a written policy?	X	
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:	X	
<input type="checkbox"/> 100% <input type="checkbox"/> 150% <input checked="" type="checkbox"/> 200% <input type="checkbox"/> Other _____ %		
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:	X	
<input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input checked="" type="checkbox"/> 400% <input type="checkbox"/> Other _____ %		
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"?	X	
5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	X	
b If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	X	
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?		X
6a Did the organization prepare a community benefit report during the tax year?	X	
b If "Yes," did the organization make it available to the public?	X	

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

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)		305	90,100.		90,100.	.12%
b Medicaid (from Worksheet 3, column a)		643	12619262.	6984768.	5634494.	7.68%
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs		948	12709362.	6984768.	5724594.	7.80%
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)	11	2,462	59,714.		59,714.	.08%
f Health professions education (from Worksheet 5)	1	90	63,775.		63,775.	.09%
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)	2	200	2,786.		2,786.	.00%
j Total. Other Benefits	14	2,752	126,275.		126,275.	.17%
k Total. Add lines 7d and 7j	14	3,700	12835637.	6984768.	5850869.	7.97%

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

Table with 7 columns: (a) Number of activities or programs (optional), (b) Persons served (optional), (c) Total community building expense, (d) Direct offsetting revenue, (e) Net community building expense, (f) Percent of total expense. Rows include Physical improvements and housing, Economic development, Community support, Environmental improvements, Leadership development and training for community members, Coalition building, Community health improvement advocacy, Workforce development, Other, and Total.

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

Table for Section A with columns Yes and No. Row 1: Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15? (Yes: X). Row 2: Enter the amount of the organization's bad debt expense. (Amount: 3,114,217). Row 3: Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. (Amount: 7).

Section B. Medicare

Table for Section B with columns Yes and No. Row 5: Enter total revenue received from Medicare (including DSH and IME). (Amount: 16,881,351). Row 6: Enter Medicare allowable costs of care relating to payments on line 5. (Amount: 21,785,487). Row 7: Subtract line 6 from line 5. This is the surplus (or shortfall). (Amount: -4,904,136). Row 8: Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit.

Section C. Collection Practices

Table for Section C with columns Yes and No. Row 9a: Did the organization have a written debt collection policy during the tax year? (Yes: X). Row 9b: If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? (Yes: X).

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

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

Part V Facility Information

Section A. Hospital Facilities

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

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

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

1 JOHNSON MEMORIAL HOSPITAL
201 CHESTNUT HILL ROAD
STAFFORD SPRINGS, CT 06076
WWW.JMMC.COM
0072

Table with 9 columns: Licensed hospital, Gen. medical & surgical, Children's hospital, Teaching hospital, Critical access hospital, Research facility, ER-24 hours, ER-other, Other (describe), Facility reporting group. Row 1 contains 'X' marks in the first, second, and seventh columns.

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 JOHNSON MEMORIAL HOSPITAL

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

	Yes	No
Community Health Needs Assessment		
1 Was the hospital facility first licensed, registered, or similarly recognized by a State as a hospital facility in the current tax year or the immediately preceding tax year?	1	X
2 Was the hospital facility acquired or placed into service as a tax-exempt hospital in the current tax year or the immediately preceding tax year? If "Yes," provide details of the acquisition in Section C	2	X
3 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 12	3	X
If "Yes," indicate what the CHNA report describes (check all that apply):		
a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
b <input checked="" type="checkbox"/> Demographics of the community		
c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d <input checked="" type="checkbox"/> How data was obtained		
e <input checked="" type="checkbox"/> The significant health needs of the community		
f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs		
j <input type="checkbox"/> Other (describe in Section C)		
4 Indicate the tax year the hospital facility last conducted a CHNA: 20 <u>13</u>		
5 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	5	X
6a Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C	6a	X
b Was the hospital facility's CHNA conducted with one or more organizations other than hospital facilities? If "Yes," list the other organizations in Section C	6b	X
7 Did the hospital facility make its CHNA report widely available to the public?	7	X
If "Yes," indicate how the CHNA report was made widely available (check all that apply):		
a <input checked="" type="checkbox"/> Hospital facility's website (list url): <u>WWW.JMMC.COM</u>		
b <input type="checkbox"/> Other website (list url): _____		
c <input 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	8	X
9 Indicate the tax year the hospital facility last adopted an implementation strategy: 20 <u>13</u>		
10 Is the hospital facility's most recently adopted implementation strategy posted on a website?	10	X
a If "Yes," (list url): <u>WWW.JMMC.COM</u>		
b If "No", is the hospital facility's most recently adopted implementation strategy attached to this return?	10b	X
11 Describe in Section C how the hospital facility is addressing the significant needs identified in its most recently conducted CHNA and any such needs that are not being addressed together with the reasons why such needs are not being addressed.		
12a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	12a	X
b If "Yes" to line 12a, did the organization file Form 4720 to report the section 4959 excise tax?	12b	
c If "Yes" to line 12b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$		

Part V Facility Information (continued)

Financial Assistance Policy (FAP)

Name of hospital facility or letter of facility reporting group JOHNSON MEMORIAL HOSPITAL

	Yes	No
<p>Did the hospital facility have in place during the tax year a written financial assistance policy that:</p> <p>13 Explained eligibility criteria for financial assistance, and whether such assistance included free or discounted care?</p> <p>If "Yes," indicate the eligibility criteria explained in the FAP:</p> <p>a <input checked="" type="checkbox"/> Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of <u>200</u> % and FPG family income limit for eligibility for discounted care of <u>400</u> %</p> <p>b <input checked="" type="checkbox"/> Income level other than FPG (describe in Section C)</p> <p>c <input type="checkbox"/> Asset level</p> <p>d <input checked="" type="checkbox"/> Medical indigency</p> <p>e <input checked="" type="checkbox"/> Insurance status</p> <p>f <input checked="" type="checkbox"/> Underinsurance status</p> <p>g <input type="checkbox"/> Residency</p> <p>h <input type="checkbox"/> Other (describe in Section C)</p>	X	
14 Explained the basis for calculating amounts charged to patients?	X	
15 Explained the method for applying for financial assistance?	X	
<p>If "Yes," indicate how the hospital facility's FAP or FAP application form (including accompanying instructions) explained the method for applying for financial assistance (check all that apply):</p> <p>a <input checked="" type="checkbox"/> Described the information the hospital facility may require an individual to provide as part of his or her application</p> <p>b <input checked="" type="checkbox"/> Described the supporting documentation the hospital facility may require an individual to submit as part of his or her application</p> <p>c <input checked="" type="checkbox"/> Provided the contact information of hospital facility staff who can provide an individual with information about the FAP and FAP application process</p> <p>d <input checked="" type="checkbox"/> Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications</p> <p>e <input type="checkbox"/> Other (describe in Section C)</p>		
16 Included measures to publicize the policy within the community served by the hospital facility?	X	
<p>If "Yes," indicate how the hospital facility publicized the policy (check all that apply):</p> <p>a <input type="checkbox"/> The FAP was widely available on a website (list url): _____</p> <p>b <input type="checkbox"/> The FAP application form was widely available on a website (list url): _____</p> <p>c <input type="checkbox"/> A plain language summary of the FAP was widely available on a website (list url): _____</p> <p>d <input checked="" type="checkbox"/> The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)</p> <p>e <input checked="" type="checkbox"/> The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail)</p> <p>f <input type="checkbox"/> A plain language summary of the FAP was available upon request and without charge (in public locations in the hospital facility and by mail)</p> <p>g <input type="checkbox"/> Notice of availability of the FAP was conspicuously displayed throughout the hospital facility</p> <p>h <input type="checkbox"/> Notified members of the community who are most likely to require financial assistance about availability of the FAP</p> <p>i <input type="checkbox"/> Other (describe in Section C)</p>		

Billing and Collections

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

Part V Facility Information (continued)

Name of hospital facility or letter of facility reporting group JOHNSON MEMORIAL HOSPITAL

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

Policy Relating to Emergency Medical Care

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

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

22 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care.		
a <input type="checkbox"/> The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged		
b <input type="checkbox"/> The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged		
c <input type="checkbox"/> The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged		
d <input checked="" type="checkbox"/> Other (describe in Section C)		
23 During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care?		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?		X
If "Yes," explain in Section C.		

Part V Facility Information *(continued)*

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

JOHNSON MEMORIAL HOSPITAL:

PART V, SECTION B, LINE 5: THE CHNA CONSISTED OF A SERIES OF INTERVIEWS WITH LOCAL PROVIDERS, A COMMUNITY SURVEY, AND INFORMATION GATHERED FROM LOCAL HEALTH DEPARTMENTS AND COMMUNITY BASED ORGANIZATIONS. IN ADDITION THREE FOCUS GROUPS WERE INFORMALLY SURVEYED THROUGH THE JMMC INTERFAITH CLERGY COUNCIL, POST ACUTE CARE COUNCIL, AND GEOGRAPHIC COUNCIL. COMMUNITY HEALTH NEEDS IDENTIFIED THROUGH THE CHNA INCLUDE: OBESITY, DIABETES, BEHAVIORAL HEALTH, SUBSTANCE ABUSE/ALCOHOLISM, AND HEART FAILURE. AN IMPLEMENTATION PLAN WAS DESIGNED TO ADDRESS THOSE NEEDS WITH ACTIVITIES THAT ALIGN WITH THE JMH MISSION, VISION, AND VALUES.

JOHNSON MEMORIAL HOSPITAL:

PART V, SECTION B, LINE 6B: INPUT WAS FROM INDIVIDUALS, THE EMERGENCY AID ASSOCIATION, NORTH CENTRAL DISTRICT HEALTH DEPT., AND COMMUNITY HEALTH CENTER, UCONN, CONNECTICUT AREA HEALTH EDUCATION CENTER (AHEC). MIGRANT FARM WORKER CLINIC WERE INVOLVED IN PREVIOUS CHNA. FOCUS GROUPS CONSISTING OF PEOPLE FROM OUTSIDE HEALTH AND WELLBEING ORGANIZATIONS WERE ALSO INTERVIEWED.

JOHNSON MEMORIAL HOSPITAL:

PART V, SECTION B, LINE 11: THE ORGANIZATION HAS SETUP SUPPORT GROUPS AND HEALTH CARE PROFESSIONAL LECTURES TO EDUCATE THE COMMUNITY ON NEEDS IDENTIFIED IN THE PREVIOUS CHNA. THE ORGANIZATION HAS ALSO STEPPED UP ITS FREE SCREENING/CLINICAL SERVICES IN AN ATTEMPT TO EDUCATE AND CATCH HEALTH

Part V Facility Information *(continued)*

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

ISSUES BEFORE THEY BECOME A SERIOUS THREAT.

JOHNSON MEMORIAL HOSPITAL:

PART V, SECTION B, LINE 22D: JOHNSON MEMORIAL HOSPITAL INC - PATIENTS

APPLY FOR FINANCIAL ASSISTANCE IN ACCORDANCE WITH THE "FINANCIAL ASSISTANCE POLICY" SCHEDULE.

Part V Facility Information *(continued)*

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

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

How many non-hospital health care facilities did the organization operate during the tax year? 7

Name and address	Type of Facility (describe)
1 JMH DBA JOHNSON SURGERY CENTER 148 HAZARD AVENUE ENFIELD, CT 06083	OUTPATIENT CENTER SURGERY AND DIAGNOSTIC IMAGING CENTER WITH LAB DRAW
2 JOHNSON MEMORIAL HOSPITAL 151 HAZARD AVENUE ENFIELD, CT 06083	PHYSICAL THERAPY SERVICES/SLEEP LAB
3 JOHNSON MEMORIAL HOSPITAL 15 PALOMBA DRIVE, UNIT 9 ENFIELD, CT 06083	CARDIAC REHAB SERVICES
4 JMH DBA TOLLAND MEDICAL SPECIALISTS 384 L MERROW ROAD TOLLAND, CT 06084	PHYSICIAN SESSION SPACE WITH LAB AND X-RAY SERVICES
5 JOHNSON MEMORIAL HOSPITAL 15 PALOMBA DRIVE ENFIELD, CT 06083	LAB DRAW STATION
6 JOHNSON MEMORIAL HOSPITAL 140 HAZARD AVENUE, SUITE 106 ENFIELD, CT 06083	WOUND CARE SERVICES (ADVANCED WOUND CENTER)
7 JOHNSON MEMORIAL HOSPITAL 142 HAZARD AVENUE ENFIELD, CT 06083	INFUSION THERAPY SERVICES (KAREN DAVIS KRYNOWEK INFUSION CENTER)

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:

RATIO OF COST TO CHARGES WAS UTILIZED. ALSO ACTUAL ACCUMULATED COSTS WITH OVERHEAD ALLOCATIONS BASED ON RECENT MEDICARE COST STUDY.

PART II

COMMUNITY BUILDING ACTIVITIES CONTRIBUTE TO THE HEALTH AND WELL BEING OF THE COMMUNITY WE SERVE BY EDUCATION AND ENHANCING THE BONDS WITH THE COMMUNITY. JMH PROMOTES THE HEALTH OF THE COMMUNITY IT SERVES BY COMMITTING EXPERTISE AND RESOURCES TO SUPPORT LOCAL COMMUNITY MEMBERS AND ORGANIZATIONS. FOR EXAMPLE, JMH HAS A COALITION WITH TWO AREA HIGH SCHOOLS (SOMERS CT AND STAFFORD CT) THAT PROVIDES THE SCHOOLS WITH ATHLETIC TRAINERS. THIS PROMOTES THE HEALTH AND SAFETY OF STUDENT ATHLETES BY PROVIDING THEM WITH TRAINING AND MEDICAL SERVICES THEY OTHERWISE WOULDN'T HAVE ACCESS TO.

PART III, LINE 4:

GROSS CHARGES WRITTEN TO BAD DEBT WERE REDUCED TO COST BY APPLYING APPLICABLE (UPDATED QUARTERLY) RATIO OF COST TO CHARGES. THE DIRECTOR OF

Part VI Supplemental Information (Continuation)

PATIENT ACCOUNTS REVIEWED DETAILED REPORTS AND ESTIMATED THAT APPROXIMATELY 7 PERCENT MAY HAVE BEEN CHARITY CARE.

PART III, LINE 8:

LINES 5 & 6 WERE COMPUTED FROM THE 2015 MEDICARE COST STUDY (D&E WORKSHEETS). THE SHORTFALL FROM MEDICARE CONTRIBUTES IMPORTANTLY TO THE WELFARE AND BENEFIT OF OUR COMMUNITY BY PROVIDING HIGH QUALITY HEALTHCARE AT AFFORDABLE PRICES.

PART III, LINE 9B:

PATIENTS WHO CAN DEMONSTRATE THAT PAYMENT OF A HOSPITAL BILL WOULD BE A HARDSHIP FOR THEM MAY APPLY FOR FINANCIAL ASSISTANCE.

PART VI, LINE 2

THE CHNA CONSISTED OF A SERIES OF INTERVIEWS WITH LOCAL PROVIDERS, A COMMUNITY SURVEY, AND INFORMATION GATHERED FROM LOCAL HEALTH DEPARTMENTS AND COMMUNITY BASED ORGANIZATIONS. IN ADDITION THREE FOCUS GROUPS WERE INFORMALLY SURVEYED THROUGH THE JMMC INTERFAITH CLERGY COUNCIL, POST ACUTE CARE COUNCIL, AND GEOGRAPHIC COUNCIL. COMMUNITY HEALTH NEEDS IDENTIFIED THROUGH THE CHNA INCLUDE: OBESITY, DIABETES, BEHAVIORAL HEALTH, SUBSTANCE ABUSE/ALCOHOLISM, AND HEART FAILURE. AN IMPLEMENTATION PLAN WAS DESIGNED TO ADDRESS THOSE NEEDS WITH ACTIVITIES THAT ALIGN WITH THE JMH MISSION, VISION, AND VALUES.

PART VI, LINE 3

JOHNSON MEMORIAL HOSPITAL HAS A CUSTOMER SERVICE POSITION IN THE PATIENT ACCOUNTS DEPARTMENT. THAT POSITION ASSISTS PATIENTS IN THE MEDICAID AND OR FINANCIAL ASSISTANCE PROCESS. THE HOSPITAL ALSO HAS A

Part VI Supplemental Information (Continuation)

CERTIFIED NAVIGATOR FOR THE CT EXCHANGE PROGRAMS HELPING PATIENTS WITH THE APPLICATION PROCESS.

PART VI, LINE 4

JOHNSON MEMORIAL HOSPITAL IS AN ACUTE CARE HOSPITAL WHICH SERVES COMMUNITIES IN NORTH CENTRAL CONNECTICUT AND WESTERN MASSACHUSETTS. THE PRIMARY SERVICE AREA ENCOMPASSES EIGHT ZIP CODES WHICH RELATE TO THE TOWNS OF ASHFORD, ELLINGTON, SOMERS, STAFFORD, UNION, SUFFIELD, TOLLAND, AND WILLINGTON. THE MAJORITY OF THESE TOWNS ARE LOCATED IN TOLLAND COUNTY CT HOWEVER ENFIELD/SUFFIELD ARE LOCATED IN HARTFORD COUNTY AND ASHFORD IS IN WINDHAM COUNTY. THE COMBINED POPULATION OF THESE COMMUNITIES IS APPROXIMATELY 180,000 RESIDENTS WITH AN AVERAGE HOUSEHOLD INCOME OF ABOUT \$80,000. ABOUT 10% OF THE RESIDENTS UNDER THE AGE OF 65, FOR ALL INCOME LEVELS, ARE UNINSURED. JMH PROVIDED \$90,100 IN CHARITY CARE IN FY2015. EASTERN CONNECTICUT HEALTH NETWORK, HARTFORD HOSPITAL, AND SAINT FRANCIS HOSPITAL ALSO PROVIDE SERVICES IN THE JMH SERVICE AREA. BAYSTATE MEDICAL CENTER, LOCATED IN MASSACHUSETTS, ALSO PROVIDES SERVICES IN OUR AREA.

PART VI, LINE 5

COMMUNITY HEALTH EDUCATION PROGRAMS ARE OFFERED TO THE COMMUNITY AND INCLUDE LECTURE PROGRAMS, HEALTH SCREENINGS, SUPPORT GROUPS, AND HEALTH FAIR PARTICIPATION. LECTURES, SCREENINGS, AND SUPPORT GROUPS ARE DONE ON CAMPUS AND AT OTHER ORGANIZATIONS (MALL, SENIOR CENTER, SCHOOLS, FOOD KITCHENS, ETC.) FINANCIAL AND IN-KIND SERVICES AND GOODS ARE DONATED TO COMMUNITY GROUPS. FACILITY SPACE IS ALSO USED TO HOST AMERICAN RED CROSS BLOOD DRIVES AND MEETINGS FOR OTHER NON-PROFIT ORGANIZATIONS AND SUPPORT GROUPS.

Part VI Supplemental Information (Continuation)

PART VI, LINE 6

JOHNSON MEMORIAL MEDICAL CENTER, JMMC, THE PARENT ORGANIZATION OF
 JOHNSON MEMORIAL HOSPITAL, EVERGREEN HEALTH CARE CENTER, AND HOME AND
 COMMUNITY HEALTH SERVICES; AND SAINT FRANCIS CARE, INC., THE PARENT
 ORGANIZATION OF SAINT FRANCIS HOSPITAL AND MEDICAL CENTER, HAVE
 FORMALLY SIGNED AN AFFILIATION AGREEMENT DESIGNED TO MAINTAIN JOHNSON
 MEMORIAL AS AN INDEPENDENT SOURCE OF HIGH QUALITY HEALTHCARE AND EXPAND
 ITS CLINICAL SERVICES IN NORTH CENTRAL CONNECTICUT. UNDER THE TERMS OF
 THE AGREEMENT, JMMC IS A SAINT FRANCIS CARE PARTNER, BUT BOTH JMMC AND
 SAINT FRANCIS WILL CONTINUE TO BE SEPARATELY LICENSED INSTITUTIONS,
 EACH WITH SEPARATE BOARDS OF DIRECTORS.

PART VI, LINE 7

CONNECTICUT

**SCHEDULE J
(Form 990)**

Compensation Information

OMB No. 1545-0047

2014

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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.

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

Name of the organization **JOHNSON MEMORIAL HOSPITAL INC** Employer identification number **06-0646696**

Part I Questions Regarding Compensation

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

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

Schedule J (Form 990) 2014

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

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

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

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) JOHN GRISH CHIEF FINANCIAL OFFICER	(i)	266,742.	0.	0.	0.	12,596.	279,338.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
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	(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.

FORM 990, PART VII, SECTION A, LINE 5

STUART ROSENBERG WAS PAID BY ST FRANCIS HOSPITAL AND MEDICAL CENTER.

HE RECEIVED THE FOLLOWING:

- \$351,329 IN BASE COMPENSATION

- \$20,400 IN DEFERRED COMPENSATION

- \$26,783 IN NON-TAXABLE BENEFITS.

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

▶ Attach to Form 990 or 990-EZ.

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

OMB No. 1545-0047

2014

Open to Public
Inspection

Name of the organization

JOHNSON MEMORIAL HOSPITAL INC

Employer identification number

06-0646696

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

INDIVIDUALS ABILITY TO PAY. SERVICES INCLUDE INPATIENT ROUTINE,
INPATIENT ANCILLIARY, AND OUTPATIENT CARE IN SUPPORT OF THE HOSPITALS
HEALTHCARE MISSION

FORM 990, PART VI, SECTION A, LINE 6:

ARTICLE 3 OF JOHNSON MEMORIAL MEDICAL CENTER BYLAWS STIPULATES THAT THERE
WILL BE NOT LESS THAN 30 NOR MORE THAN 60 MEMBERS

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

MEMBERS ARE ELECTED BY THE BOARD A RECOMMENDED BY THE GOVERNANCE AND
NOMINATING COMMITTEE

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

BOARD POLICY PROVIDES THAT MEMBERS OF THE BOARD ARE PROVIDED THE
OPPORTUNITY TO REVIEW AND COMMENT TO EXECUTIVE LEADERSHIP BEFORE THE 990 IS
FILED. ALL MEMBER OF THE BOARD HAVE ACCESS TO ANY COPY OF THE FORM.

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

AN ANNUAL DISCLOSURE STATEMENT IS REQUIRED. EXECUTIVES, MANAGERS, AND BOARD
MEMBERS ARE REQUIRED ON AN ONGOING BASIS TO DISCLOSE INTERESTS THAT MAY
GIVE RISE TO A CONFLICT OF INTERESTS

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

A BOARD COMMITTEE REVIEWS COMPENSATION ANNUALLY FOR THE EXECUTIVE TEAM AND
RECOMMENDS COMPENSATION FOR BOARD APPROVAL. COMPARABILITY DATA IS REVIEWED

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

Schedule O (Form 990 or 990-EZ) (2014)

432211
08-27-14

Name of the organization JOHNSON MEMORIAL HOSPITAL INC	Employer identification number 06-0646696
---	--

AND MAY INCLUDE INDUSTRY SURVEYS, DOCUMENTED COMPENSATION OF SIMILIAR POSITIONS IN SIMILIAR ORGANIZATIONS, AND EXPERT COMPENSATION SCHEDULES

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

THE JOHNSON MEMORIAL MEDICAL CENTER MAINTAINS THESE DOCUMENTS IN ADMINISTRATION AND ARE AVAILABLE FOR VIEWING ON REQUEST DURING NORMAL BUSINESS HOURS. THIS INCLUDES THE JOHNSON MEMORIAL HOSPITAL

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

MEDICAL DIRECTOR:

PROGRAM SERVICE EXPENSES	200,203.
MANAGEMENT AND GENERAL EXPENSES	0.
FUNDRAISING EXPENSES	0.
TOTAL EXPENSES	200,203.

PHYSICIAN FEES:

PROGRAM SERVICE EXPENSES	3,886,292.
MANAGEMENT AND GENERAL EXPENSES	0.
FUNDRAISING EXPENSES	0.
TOTAL EXPENSES	3,886,292.

MEDICAL CONSULTING FEES:

PROGRAM SERVICE EXPENSES	1,041,119.
MANAGEMENT AND GENERAL EXPENSES	0.
FUNDRAISING EXPENSES	0.
TOTAL EXPENSES	1,041,119.

TEMPORARY HELP:

432212
08-27-14

Name of the organization JOHNSON MEMORIAL HOSPITAL INC	Employer identification number 06-0646696
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PROGRAM SERVICE EXPENSES	1,298,200.
MANAGEMENT AND GENERAL EXPENSES	19,354.
FUNDRAISING EXPENSES	0.
TOTAL EXPENSES	1,317,554.

PURCHASED SERVICES:

PROGRAM SERVICE EXPENSES	3,191,747.
MANAGEMENT AND GENERAL EXPENSES	2,005,036.
FUNDRAISING EXPENSES	0.
TOTAL EXPENSES	5,196,783.

CONSULTING FEES:

PROGRAM SERVICE EXPENSES	0.
MANAGEMENT AND GENERAL EXPENSES	111,427.
FUNDRAISING EXPENSES	0.
TOTAL EXPENSES	111,427.

TOTAL OTHER FEES ON FORM 990, PART IX, LINE 11G, COL A 11,753,378.

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

DECREASE IN FAIR VALUE OF BENEFICIAL INTEREST IN PERPETUAL

TRUSTS -367,402.

FORM 990, PART XII, LINE 2C:

THE PROCESS HAS NOT CHANGED FROM PRIOR YEARS.

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	

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
WELLCARE INC - 22-2541983 201 CHESTNUT HILL ROAD STAFFORD SPRINGS, CT 06076	INACTIVE	CT	N/A	C CORP			.00%		X

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) JOHNSON EVERGREEN CORPORATION DBA EVERGREEN HEALTH CARE CENTER	K	95,175.	REASONABLE COST
(2) JOHNSON EVERGREEN CORPORATION DBA EVERGREEN HEALTH CARE CENTER	Q	994,476.	REASONABLE ALLOCATION
(3) JOHNSON MEMORIAL MEDICAL CENTER	J	494,992.	REASONABLE COST
(4) JOHNSON HEALTH CARE INC	Q	53,088.	REASONABLE ALLOCATION
(5) HOME AND COMMUNITY HEALTH SERVICES	Q	384,600.	REASONABLE ALLOCATION
(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, ADDRESS, AND EIN OF RELATED ORGANIZATION:

JOHNSON EVERGREEN CORPORATION DBA EVERGREEN HEALTH CARE
CENTER

EIN: 22-3012385

205 CHESTNUT HILL ROAD

STAFFORD SPRINGS, CT 06076

JOHNSON MEMORIAL MEDICAL CENTER

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

SEPTEMBER 30, 2015 AND 2014

JOHNSON MEMORIAL MEDICAL CENTER

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Johnson Memorial Medical Center

We have audited the accompanying consolidated financial statements of Johnson Memorial Medical Center (the Organization), which comprise the consolidated balance sheets as of September 30, 2015 and 2014, 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 consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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



Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Johnson Memorial Medical Center as of September 30, 2015 and 2014, and the results of its operations, changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Organization filed voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code on January 14, 2015. The consolidated financial statements do not include any adjustments relating to the recoverability and classification of the reported asset amounts or adjustments relating to the establishment, settlement, and classification of liabilities that may be required in connection with Chapter 11 of the United States Bankruptcy Code.

Effective January 1, 2016, the unrestricted assets of Johnson Memorial Medical Center, Johnson Memorial Hospital, Johnson Health Care, Inc. and Home & Community Health Services, Inc. were sold and certain liabilities were assumed by Saint Francis Hospital and Medical Center (now known as Trinity Health – New England, Inc.) who will continue to provide health care services utilizing the name Johnson Memorial Medical Center through a newly formed corporation. Effective December 29, 2015, Johnson Evergreen Corporation was sold to another buyer who will operate it as a nursing facility.

The consolidated financial statements do not include any adjustments that resulted from the sales of these entities subsequent to year end or from the settlement of the Organization's liabilities in connection with these sale transactions. Our opinion is not modified with respect to these matters.

Marum LLP

Hartford, CT
April 29, 2016

JOHNSON MEMORIAL MEDICAL CENTER

CONSOLIDATED BALANCE SHEETS

SEPTEMBER 30, 2015 AND 2014

	2015	2014
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,738,740	\$ 1,469,221
Patient trust funds	66,862	59,530
Patients accounts receivable, net of allowances for uncollectible accounts of \$6,242,000 in 2015 and \$5,186,000 in 2014	12,246,951	11,658,028
Insurance and other receivables	537,387	1,078,149
Inventories	1,523,756	1,295,797
Prepaid expenses and other current assets	<u>1,880,119</u>	<u>2,288,803</u>
Total Current Assets	<u>17,993,815</u>	<u>17,849,528</u>
Assets Whose Use is Limited		
Beneficial interests in perpetual trusts	3,425,921	3,793,323
Restricted cash and board designated investments	224,917	224,048
Cash and investments restricted by donor	<u>1,026,198</u>	<u>1,029,209</u>
Total Assets Whose Use is Limited	<u>4,677,036</u>	<u>5,046,580</u>
Other Assets		
Property, plant and equipment, net	27,337,869	23,269,815
Investment in joint ventures	3,467,074	3,397,936
Investments, other	--	1,100
Deferred financing costs, net	278,507	288,663
Other noncurrent assets	<u>1,207,547</u>	<u>1,610,887</u>
Total Other Assets	<u>32,290,997</u>	<u>28,568,401</u>
	<u>\$ 54,961,848</u>	<u>\$ 51,464,509</u>

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

JOHNSON MEMORIAL MEDICAL CENTER
CONSOLIDATED BALANCE SHEETS (CONTINUED)
SEPTEMBER 30, 2015 AND 2014

	2015	2014
Liabilities and Net Assets (Deficit)		
Liabilities Not Subject to Compromise		
Current Liabilities		
Trade accounts payable and accrued expenses	\$ 9,476,246	\$ 8,408,688
Accrued payroll and related costs	2,677,952	2,789,581
Current portion of payments due under plan of reorganization	--	4,100,000
Patient trust funds	66,862	59,530
Senior debt under revolving line of credit	3,581,867	1,604,830
Mortgages payable	--	29,141,197
Current portion of subordinated and other debt	--	125,772
Current portion of capital lease obligations	838,274	197,299
Estimated amounts due to third-party reimbursement agencies	2,446,731	2,911,614
Other current liabilities	908,689	784,812
Total Current Liabilities	<u>19,996,621</u>	<u>50,123,323</u>
Long-Term Liabilities		
Payments due under plan of reorganization - less current portion	--	2,411,446
Subordinated debt - less current portion	--	17,435
Other long-term debt	--	2,350,000
Self-insurance liabilities and reserves for incurred but not reported professional liability claims	2,207,990	2,344,272
Other liabilities	374,702	401,097
Obligations under capital lease - less current portion	4,572,057	721,036
Total Long-Term Liabilities	<u>7,154,749</u>	<u>8,245,286</u>
Liabilities Subject to Compromise		
Payments due under 2010 plan of reorganization	6,685,593	--
Pre-petition trade accounts payable	3,176,665	--
Mortgages payable	29,141,197	--
Other debt	2,350,000	--
Total Liabilities Subject to Compromise	<u>41,353,455</u>	<u>--</u>
Total Liabilities	<u>68,504,825</u>	<u>58,368,609</u>

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

JOHNSON MEMORIAL MEDICAL CENTER
CONSOLIDATED BALANCE SHEETS (CONTINUED)
SEPTEMBER 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
Net Assets (Deficit)		
Unrestricted	\$ (18,535,995)	\$ (12,121,840)
Temporarily restricted	553,275	410,595
Permanently restricted	<u>4,439,743</u>	<u>4,807,145</u>
Total Net Assets (Deficit)	<u>(13,542,977)</u>	<u>(6,904,100)</u>
Total Liabilities and Net Assets (Deficit)	<u>\$ 54,961,848</u>	<u>\$ 51,464,509</u>

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

JOHNSON MEMORIAL MEDICAL CENTER

CONSOLIDATED STATEMENTS OF OPERATIONS

FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

	2015	2014
Operating Revenue		
Net patient service revenue	\$ 92,703,369	\$ 96,614,360
Provision for bad debts	<u>3,470,135</u>	<u>4,537,178</u>
Net patient service revenue less provision for bad debts	89,233,234	92,077,182
Grant and other income	590,810	501,330
Other revenue	599,612	550,814
Net assets released from restriction	<u>36,593</u>	<u>269,758</u>
Total Operating Revenue	<u>90,460,249</u>	<u>93,399,084</u>
Expenses		
Salaries	40,500,652	40,435,222
Employee benefits	10,064,877	10,541,692
Professional fees	6,496,344	6,166,001
Depreciation and amortization	2,419,144	3,226,575
Outsourced staffing and contracted services	7,340,605	5,888,592
Supplies, drugs and patient care	12,485,965	12,822,617
Leases and service contracts	1,456,738	1,624,365
Occupancy costs	3,446,572	3,512,148
Insurance	1,584,957	1,669,982
Provider tax	896,980	859,088
Other expenses	6,813,061	5,964,235
Interest	<u>1,503,067</u>	<u>1,985,339</u>
Total Expenses	<u>95,008,962</u>	<u>94,695,856</u>
Loss from Operations Before		
Impairment Loss on Long-Lived Assets	(4,548,713)	(1,296,772)
Impairment Loss on Long-Lived Assets	<u>--</u>	<u>(2,452,326)</u>
Loss from Operations	<u>(4,548,713)</u>	<u>(3,749,098)</u>

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

JOHNSON MEMORIAL MEDICAL CENTER

CONSOLIDATED STATEMENTS OF OPERATIONS (CONTINUED)

FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

	2015	2014
Nonoperating Revenue (Loss)		
Investment income	\$ 159,517	\$ 166,175
Loss on sale of equipment	--	(13,263)
Equity earnings in joint ventures	<u>69,138</u>	<u>232,022</u>
	<u>228,655</u>	<u>384,934</u>
Loss Before Reorganization Items	(4,320,058)	(3,364,164)
Reorganization Items		
Professional fees	<u>2,282,699</u>	<u>--</u>
Deficiency of Revenues Over Expenses	<u>\$ (6,602,757)</u>	<u>\$ (3,364,164)</u>

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

JOHNSON MEMORIAL MEDICAL CENTER
CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

	2015	2014
Unrestricted Net Assets		
Deficiency of revenues over expenses	\$ (6,602,757)	\$ (3,364,164)
Net assets released from restriction for purchase of property and equipment	188,602	8,330
Change in Unrestricted Net Assets	(6,414,155)	(3,355,834)
Temporarily Restricted Net Assets		
Grants and other contributions	367,875	352,974
Net assets released from restriction	(225,195)	(278,088)
Change in Temporarily Restricted Net Assets	142,680	74,886
Permanently Restricted Net Assets		
(Decrease) increase in fair value of beneficial interest in perpetual trusts	(367,402)	63,596
Change in Net Assets	(6,638,877)	(3,217,352)
Net Assets (Deficit) - Beginning	(6,904,100)	(3,686,748)
Net Assets (Deficit) - End	\$ (13,542,977)	\$ (6,904,100)

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

JOHNSON MEMORIAL MEDICAL CENTER

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

	2015	2014
Cash Flows From Operating Activities and Reorganization Items		
Change in net assets	\$ (6,638,877)	\$ (3,217,352)
Adjustments to reconcile change in net assets (deficit) to net cash provided by operating activities:		
Impairment loss on long-lived assets	--	2,452,326
Depreciation and amortization	2,419,144	3,226,575
Accretion of asset retirement obligations	--	11,074
Provision for bad debt	3,470,135	4,537,178
Loss on disposal of assets	--	13,263
Equity earnings in joint ventures	(69,138)	(232,022)
Restricted grants and contributions	(367,875)	(352,974)
Change in net realized and unrealized losses (gains) on investments	367,402	(63,596)
Changes in assets and liabilities:		
Patient accounts receivable	(4,059,058)	(6,059,817)
Insurance and other receivables	540,762	948,713
Prepaid expenses and other current assets	408,684	(1,178,668)
Inventories	(227,959)	21,673
Restricted cash and board designated investments	2,142	45,682
Other noncurrent assets	403,340	(1,127,752)
Payments due under 2010 plan of reorganization	174,147	443,398
Accounts payable and accrued expenses	4,244,223	1,313,237
Accrued payroll and related costs	(111,629)	(17,639)
Estimated amounts due to third-party reimbursement agencies	(464,883)	127,549
Self-insurance liabilities	(136,282)	1,702,848
Other current liabilities	123,877	112,131
Other liabilities	(26,395)	(222,689)
Net Cash Provided by Operating Activities and Reorganization Items	<u>51,760</u>	<u>2,483,138</u>
Cash Flows From Investing Activities		
Capital expenditures	<u>(1,750,442)</u>	<u>(961,673)</u>
Net Cash Used in Investing Activities	<u>(1,750,442)</u>	<u>(961,673)</u>

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

JOHNSON MEMORIAL MEDICAL CENTER

CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

	2015	2014
Cash Flows From Financing Activities		
Restricted grants and contributions	\$ 367,875	\$ 352,974
Principal payments on mortgage and subordinated debt	(143,207)	(500,483)
Draws (payments) on revolving line of credit	1,977,037	(604,028)
Principal payments on capital lease obligations	(233,504)	(106,609)
Net Cash Provided by (Used in) Financing Activities	<u>1,968,201</u>	<u>(858,146)</u>
Net Change in Cash and Cash Equivalents	269,519	663,319
Cash and Cash Equivalents - Beginning	<u>1,469,221</u>	<u>805,902</u>
Cash and Cash Equivalents - Ending	<u>\$ 1,738,740</u>	<u>\$ 1,469,221</u>
Supplemental Disclosures of Cash Flow Information		
Cash paid for interest	<u>\$ 1,136,444</u>	<u>\$ 1,258,348</u>
Capital lease obligations - Noncash financing	<u>\$ 4,725,500</u>	<u>\$ 965,000</u>
Cash paid for reorganization costs	\$ (1,405,895)	\$ --
Cash provided by operating activities	<u>1,457,655</u>	<u>2,483,138</u>
	<u>\$ 51,760</u>	<u>\$ 2,483,138</u>

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

JOHNSON MEMORIAL MEDICAL CENTER
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES AND ORGANIZATION

ORGANIZATION

Johnson Memorial Medical Center (the Corporation or JMMC) is a not-for-profit, non-stock holding company located in Stafford Springs, Connecticut. The Corporation through its subsidiaries provides health care services to residents throughout the Hartford and Tolland Connecticut counties. The Corporation's non-profit subsidiaries include Johnson Memorial Hospital (the Hospital or JMH), Johnson Evergreen Corporation (Evergreen or EHCC), Johnson Health Care, Inc. (Health Care or JHC), and Home & Community Health Services, Inc. (HCHS). Johnson Medical Specialists, P.C. (JMS) is a professional corporation that is controlled by the Corporation. The Hospital has controlling interests in Johnson Development Fund, Inc. (Development) and its for-profit subsidiary WellCare, Inc. and Johnson Professional Associates, P.C. (JPA). The above entities are collectively referred to as the Organization in this consolidated presentation. Development, JMS, and WellCare, Inc. were dissolved during the year ended September 30, 2015.

Effective December 29, 2015, Athena Stafford Springs Landlord LLC and Stafford Springs CT SNF LLC (collectively, Athena) acquired certain assets and assumed certain liabilities of Evergreen.

Effective January 1, 2016, Saint Francis Care, Inc. (now known as Trinity Health - New England, Inc.) acquired certain unrestricted assets and liabilities of Johnson Memorial Medical Center, Inc., Johnson Memorial Hospital, Inc., Home & Community Health Services, Inc. and Johnson Health Care, Inc. through an asset purchase agreement. A newly formed corporation will continue to provide health care services utilizing the name Johnson Memorial Medical Center. The restricted net assets of the Hospital and HCHS will be transferred to the newly formed corporation upon approval of the Attorney General of the State of Connecticut.

Effective April 8, 2016, Trinity Health - New England, Inc. entered into an agreement to acquire certain assets and assume certain contracts and unexpired leases of JPA.

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

JANUARY 14, 2015 BANKRUPTCY FILING

On January 14, 2015, the Corporation, Hospital, HCHS, Health Care and JPA filed a voluntary joint petition for relief under Chapter 11 of the U.S. Bankruptcy Code in the U.S. Bankruptcy Court for District of Connecticut, Hartford Division (Bankruptcy Court). Evergreen filed a separate Chapter 11 petition on January 14, 2015. The aforementioned entities are collectively referred to as the Debtors.

JOHNSON MEMORIAL MEDICAL CENTER
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES AND ORGANIZATION (CONTINUED)

JANUARY 14, 2015 BANKRUPTCY FILING (CONTINUED)

In connection with these bankruptcy filings, the Debtors filed motions with the Bankruptcy Court under Bankruptcy Code Section 363 to sell the Corporation, Hospital, Evergreen, Home and Community, and Health Care to Saint Francis Care, Inc. (Saint Francis).

On January 16, 2015, the Debtors and a lender negotiated the terms of a debtor in possession loan in the amount of up to \$7 million, subject to certain limits, to finance the Debtors' operations through the bankruptcy process. The amounts outstanding were paid in full as part of the asset sales during 2016.

On May 14, 2015, the Bankruptcy Court approved the sale of certain assets and the assumption of certain liabilities of Johnson Memorial Medical Center, Inc., Johnson Memorial Hospital, Inc., Home & Community Health Services, Inc. and Johnson Health Care, Inc. to Saint Francis (now known as Trinity Health – New England, Inc.).

On August 20, 2015, the Bankruptcy Court approved the sale of certain assets and the assumption of certain liabilities of Evergreen to Athena.

Saint Francis and People's United Bank (People's) negotiated the restructuring of the People's mortgage debt owed by the Hospital and JMMC totaling \$14,927,500 for the settlement amount of \$10,340,000 plus accrued interest. This restructured debt was paid as part of the sale to Saint Francis in 2016.

Evergreen's mortgage debt was not assumed by the purchaser and the Corporation was ordered by the Bankruptcy Court to pay People's \$5 million in 2016 from the proceeds that resulted from the sale of Evergreen.

In connection with the sale to Saint Francis, the unsecured creditors from the first bankruptcy filings received payments of approximately \$3 million. Saint Francis and Athena assumed the trade accounts payable liabilities and certain other liabilities of the entities that they acquired other than those associated with the first bankruptcy filing.

The Organization prepared its 2015 consolidated financial statements in accordance with the guidance in FASB ASC Topic 852, Reorganizations, during the period from January 14, 2015 through September 30, 2015. Expenses and provisions for losses directly related to the Chapter 11 Proceedings were recorded as Reorganization Items which do not constitute an element of operating loss due to their nature and the requirement of ASC 852 that they be reported separately.

JOHNSON MEMORIAL MEDICAL CENTER
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES AND ORGANIZATION (CONTINUED)

JANUARY 14, 2015 BANKRUPTCY FILING (CONTINUED)

During the years ended September 30, 2015 and 2014, the Organization expensed legal and consulting costs of approximately \$3,300,000 and \$850,000, respectively, related to the bankruptcy filing and the proposed sales transactions. Of these total costs incurred, only the expenses incurred during the period from January 14, 2015 through September 30, 2015 have been presented separately in the consolidated statement of operations in accordance with ASC 852.

As of September 30, 2015, the Organization's consolidated balance sheet distinguished pre-petition liabilities subject to compromise from pre-petition liabilities not subject to compromise and from post-petition liabilities.

ORIGINAL BANKRUPTCY FILING

On November 4, 2008, the Hospital, the Corporation and Evergreen, filed voluntary petitions for relief under Chapter 11 of the U.S. Bankruptcy Code. This generally delayed payments of liabilities incurred prior to filing those petitions while the Corporation, the Hospital and Evergreen developed a joint plan of reorganization that was satisfactory to their creditors, and allowed these entities to continue as going concerns.

On August 11, 2010, the Bankruptcy Court confirmed the original plan of reorganization which was subject to the satisfaction of a number of conditions precedent. One of the conditions was that the Hospital, the Corporation, and Evergreen were required to obtain a line of credit of at least \$6 million. On September 30, 2010, the plan of reorganization became effective when these debtors received financing under an \$8 million line of credit and all other material conditions precedent to the plan becoming binding were resolved. The Bankruptcy Court issued a final decree on December 29, 2010.

There was no change in control as the Organization's Board of Directors immediately prior to the confirmation of the plan retained control upon emergence from the Chapter 11 proceedings, therefore, the Organization did not adopt fresh-start reporting.

As of September 30, 2015 and 2014, liabilities compromised by the confirmed plan have been recorded at the present values of amounts to be paid based on the original plan of reorganization.

The Hospital and Evergreen failed to pay the amounts owed to the unsecured creditors and the Pension Benefit Guaranty Corporation (PBGC) that were due on October 1, 2013, 2014 and 2015.

JOHNSON MEMORIAL MEDICAL CENTER
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES AND ORGANIZATION (CONTINUED)

ORIGINAL BANKRUPTCY FILING (CONTINUED)

In addition, mortgage payments were past due under the secured mortgages as of September 30, 2015 and 2014. The \$29,141,197 balance of the mortgages has been classified as a current liability at September 30, 2014 based on the fact that People's Bank had the right to demand repayment.

As part of the January 14, 2015, bankruptcy filing, amounts due to unsecured creditors and the PBGC from the original bankruptcy and were renegotiated and paid at closing subsequent to September 30, 2015.

AFFILIATION WITH SAINT FRANCIS CARE, INC. (NOW KNOWN AS TRINITY HEALTH – NEW ENGLAND, INC.)

On July 12, 2012, the Corporation, along with the Hospital and Evergreen (collectively, the Johnson Entities) entered into an affiliation agreement with Saint Francis Care designed to establish a long-term stable relationship between the two systems, allowing them to work together to maintain and strengthen the Corporation's operating viability and the Hospital's presence in the community as a community hospital, expand the array of health care services available, support the Hospital's medical staff, and enhance the Corporation's efforts to fulfill its mission. Saint Francis made an initial payment to the Johnson Entities of \$1,300,000 on the date of the affiliation agreement and made an additional payment of \$1,050,000 on October 1, 2012, both payments to be used by the Johnson Entities to satisfy outstanding claims owed under the reorganization plan to the Pension Benefit Guaranty Corporation and the unsecured creditors.

All payments made by Saint Francis under this agreement were considered to be an unsecured loan. Under the terms of the affiliation agreement, this loan would be payable in the event that the Corporation sought the closing of an alternative transaction, if the proceeds of this alternative transaction exceeded the amounts necessary to satisfy all other secured and unsecured debt owed by the Corporation.

In connection with the \$1,300,000 initial payment, Saint Francis was provided with the right to appoint three members to the Boards of Directors of Johnson Memorial Medical Center, the Hospital, and Evergreen.

On May 17, 2013, the Johnson Entities amended the affiliation agreement with Saint Francis to include additional advances of up to \$1,000,000 to be used solely for general working capital purposes. Advances under this amendment are subject to interest effective at the prime rate plus 2%. As of September 30, 2015 and 2014, there were no advances under this letter of credit.

JOHNSON MEMORIAL MEDICAL CENTER
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES AND ORGANIZATION (CONTINUED)

AFFILIATION WITH SAINT FRANCIS CARE, INC. (NOW KNOWN AS TRINITY HEALTH – NEW ENGLAND, INC.) (CONTINUED)

During 2014, Saint Francis agreed to provide credit support of \$2 million to the Johnson Entities in the form of a guaranty and letter of credit issued by a bank as security for the Johnson Entities' deductible under their workers' compensation policy. This credit support increased to \$2.25 million in 2015. Certain fees and interest were owed to Saint Francis under this agreement. As of September 30, 2015 and 2014, there were no borrowings under this letter of credit.

Saint Francis has provided medical leadership in the Hospital's oncology program, infectious disease program, hospitalist program and management services in both case management and psychiatry in an effort to help the Hospital to attract additional volume.

BASIS OF ACCOUNTING

The accompanying financial statements have been prepared assuming that the Organization will continue as a going concern. On January 14, 2015, JMMC, JMH, EHCC, HCHS, JPA, and JHC filed for relief under Chapter 11 of the U.S. Bankruptcy Code. JMH, EHCC and JMMC failed certain debt covenants and defaulted on all payments due on their mortgages during the years ended September 30, 2015 and 2014.

Effective January 1, 2016, the assets of JMMC, JMH, JHC and HCHS were sold to Saint Francis who will continue to operate these entities. In addition, EHCC was sold to Athena effective December 29, 2015 who will continue to operate it as a nursing facility.

The Organization's ability to sustain continued operations would not be possible without the relief provided by the bankruptcy filings, the restructuring of its debt and the involvement of Saint Francis.

Based on the fact that these entities will continue to operate with the new owners, the liquidation basis of accounting is not required and the going concern basis of accounting remains appropriate.

The financial statements do not include any adjustments that resulted from the sale of the Organization subsequent to year end or from the settlement of the Organization's liabilities in connection with these sale transactions.

JOHNSON MEMORIAL MEDICAL CENTER
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES AND ORGANIZATION (CONTINUED)

PRINCIPLES OF CONSOLIDATION AND PRESENTATION

The accompanying consolidated financial statements include the accounts of Johnson Memorial Medical Center, Johnson Memorial Hospital, The Johnson Evergreen Corporation, Home & Community Health Services, Johnson Health Care, Inc., Johnson Professional Associates, P.C., Johnson Medical Specialists, P.C. and Johnson Development Fund, Inc. JPA and Development are entities in which the Hospital has a controlling financial interest. All inter-company accounts have been eliminated in consolidation.

ASC 810-25, *Consolidations*, requires a not-for-profit entity, among other things, to consolidate into its financial statements the financial results of another not-for-profit in which it has a controlling financial interest and to make certain disclosures. Reference is made to Note 2.

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America.

NET ASSET CATEGORIES

To ensure observance of limitations and restrictions placed on the use of resources available to the Organization, the accounts of the Organization are maintained in the following net asset categories:

Unrestricted – Unrestricted net assets represent available resources which can be used for general operations of the Organization. Included in unrestricted net assets are assets set aside by the Board of Directors.

Temporarily Restricted – The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of operations and changes in net assets as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in within the same year as received are reflected as unrestricted contributions in the accompanying financial statements. At September 30, 2015 and 2014, the Organization had temporarily restricted net assets of \$553,275 and \$410,595, respectively.

Permanently Restricted – Permanently restricted net assets represent contributions received with the donor restriction that the principal be invested in perpetuity and that income earned thereon is available for operations or a specific purpose.

JOHNSON MEMORIAL MEDICAL CENTER
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES AND ORGANIZATION (CONTINUED)

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, including estimated uncollectible accounts receivable and contractual allowances and liabilities, including estimated net settlements with third-party reimbursement agencies and professional liabilities, and disclosure of contingent assets and contingent liabilities at the date of the financial statements. Estimates also affect the amounts of revenues and expenses reported during the period. There is at least a reasonable possibility that certain estimates will change by material amounts in the near term. Actual results could differ from those estimates.

REGULATORY MATTERS

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

DONOR RESTRICTED GIFTS

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. The gifts are reported as either temporarily or permanently restricted net assets if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets.

CASH AND CASH EQUIVALENTS

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

BENEFICIAL INTERESTS IN PERPETUAL TRUSTS

The Hospital is the beneficiary of several trust funds. Although the principal balances in the trust funds are permanently restricted, the income earned on the trust funds is unrestricted. The increases in unrealized (losses) and gains from the trust funds were \$(367,402) in 2015 and \$63,596 in 2014 and are included in changes in permanently restricted net assets.

JOHNSON MEMORIAL MEDICAL CENTER
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES AND ORGANIZATION (CONTINUED)

INVESTMENTS PERMANENTLY RESTRICTED BY DONOR

Investments permanently restricted by donor (other than beneficial interests in perpetual trusts) represent the funds held to support the permanently restricted endowment funds and earnings thereon. Investments in securities with readily determinable fair values are measured at fair value in the consolidated balance sheets. Fair value is determined based upon quoted market prices. Investment income or loss (including realized gains and losses on investments, interest and dividends) is included in the deficiency of revenue over expenses unless restricted by the donor or law.

Unrealized gains and losses on investments related to certain permanently restricted net assets (excluding beneficial interests in perpetual trusts) and certain temporarily restricted net assets are included in temporarily restricted net assets under State law which allows the Board of Directors to appropriate as much of the net appreciation of investments as is prudent considering the Organization's long and short-term needs, present and anticipated financial requirements, expected total return on its investments, price level trends, and general economic conditions. Reference is made to Note 8.

ACCOUNTS RECEIVABLE

Patient accounts receivable result from the health care services provided by the Corporation's subsidiaries. The amount of the allowance for uncollectible accounts is based upon management's assessment of historical and expected net collections, business and economic conditions, trends in Medicare and Medicaid health care coverage and other collection indicators. See Note 3 for additional information relative to net patient service revenue recognition and third-party payer programs.

INVESTMENTS

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

Unrealized gains and losses on investments on the Organization's beneficial interests in perpetual trusts are recorded as changes in permanently restricted net assets.

JOHNSON MEMORIAL MEDICAL CENTER
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES AND ORGANIZATION (CONTINUED)

INVESTMENT IN JOINT VENTURES

The Hospital has joint ventures that it accounts for using the equity method. The change in the Hospital's share in the equity of these joint ventures is recorded as a component of nonoperating revenue in the consolidated statements of operations. The Hospital has a 25% interest in Northeast Regional Radiation Oncology Network, Inc. (NRRON) (\$3,308,211 and \$3,299,195 as of September 30, 2015 and 2014, respectively) and has a 15% ownership interest in Tolland Imaging Center, LLC (\$141,726 and \$81,604 as of September 30, 2015 and 2014, respectively). JMMC leases space to NRRON under the terms of an operating lease and recognized rental income of \$235,000 and \$232,000 for the years ended September 30, 2015 and 2014, respectively.

INVENTORIES

Inventories of drugs and supplies are stated at the lower of cost or market, determined using the first in first out method.

IMPAIRMENT OF LONG-LIVED ASSETS

The Organization records impairment losses on long-lived assets used in operations when events and circumstances indicate that the assets might be impaired and the undiscounted cash flows estimated to be generated by those assets are less than the carrying amounts of those assets. Evergreen recorded an impairment loss of \$2,452,326 during the year ended September 30, 2014. Management believes that the other entities with long-lived assets included in the consolidated financial statements will generate undiscounted cash flows that will at least recover the value in their long-lived assets at their current carrying values.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are recorded at cost. During the year ended September 30, 2014, Evergreen reduced the carrying value of its building and improvements by \$2,452,326 related to the aforementioned impairment loss. The adjusted carrying value became the new cost basis. The Organization provides for depreciation of property, plant and equipment and amortization of assets recorded under capital leases using the straight-line method over the estimated useful lives of the assets as follows:

	<u>Useful Lives</u>
Buildings and improvements	5 – 40 years
Land improvements	5 – 20 years
Equipment	3 – 20 years

JOHNSON MEMORIAL MEDICAL CENTER
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES AND ORGANIZATION (CONTINUED)

PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Expenditures for maintenance and repairs are charged to operations as incurred. Expenditures for renewals and betterments are capitalized.

Financial Accounting Standards Board ASC 410-20, *Accounting for Asset Retirement Obligations*, provides guidance on accounting and reporting for obligations associated with the retirement of tangible long-lived assets and the associated asset retirement costs. Asset retirement obligations include, but are not limited to, certain types of environmental issues which are legally required to be remediated upon an asset's retirement as well as contractually required asset retirement obligations. ASC 410-20 provides clarifying guidance on conditional asset retirement obligations. Conditional asset retirement obligations are obligations whose settlement may be uncertain. ASC 410-20's guidance requires such conditional asset retirement obligations to be estimated and recognized. Application of these pronouncements affects the Hospital with respect to required future asbestos remediation.

Conditional asset retirement obligations of \$346,000 as of September 30, 2015 and 2014, were recorded in other liabilities on the balance sheets and have been fully accreted to their estimated settlement values. There were no retirement obligations incurred or settled during 2015 and 2014. Reference is made to Note 16 regarding other environmental exposures.

RISKS AND UNCERTAINTIES

The Hospital and HCHS invest in a variety of investment securities which are exposed to various risks, such as interest rate risk, financial market risk and credit risk. Due to the level of risk associated with investment securities, coupled with the current economic events, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the Organization's financial statements.

NONOPERATING REVENUE

Activities, other than in connection with providing health care services, are considered to be nonoperating. Nonoperating revenue consists primarily of income on invested funds, gains and losses on sales of equipment, and the changes in the Organization's share of equity of the joint ventures accounted for under the equity method.

JOHNSON MEMORIAL MEDICAL CENTER
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES AND ORGANIZATION (CONTINUED)

DEFICIENCY OF REVENUE OVER EXPENSES

The consolidated statements of operations include the deficiency of revenue over expenses as the performance indicator. Changes in unrestricted net assets which are excluded from the deficiency of revenue over expenses, consistent with industry practice, include contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets).

INCOME TAXES

The Corporation, the Hospital, Evergreen, HCHS, Health Care, and Development are generally exempt from income taxes under Internal Revenue Code, Section 501(a), as organizations described in Section 501(c)(3). JPA is a professional corporation that has experienced losses since inception and accordingly, no provisions for federal or state income taxes have been recorded.

The Organization accounts for uncertainty in income tax positions in the consolidated financial statements by applying a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return.

Management has analyzed the tax positions taken and has concluded that as of September 30, 2015, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Corporation and its subsidiaries are subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Organization's tax returns are subject to examination generally for three years from the date of filing and the current and prior three years remain subject to examination as of September 30, 2015.

ADVERTISING

The Organization expenses advertising costs as incurred. Advertising expenses for the years ended September 30, 2015 and 2014 were \$100,362 and \$5,039, respectively.

RECOGNITION OF GRANT REVENUE

Grants are generally considered to be exchange transactions in which the grantor requires the performance of specified activities. Entitlement to cost reimbursement grants is conditioned on the expenditure of funds in accordance with grant restrictions and, therefore, revenue is recognized to the extent of grant expenditures. Entitlement to performance based grants is conditioned on the attainment of specific performance.

JOHNSON MEMORIAL MEDICAL CENTER
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES AND ORGANIZATION (CONTINUED)

CHARITY CARE

The Organization provides care to patients who meet certain criteria under its charity care policies without charge, or at amounts less than its established rates. The Organization does not pursue collection of amounts determined to be charity care and these amounts are not reported as net patient service revenue. For the year ended September 30, 2015 the charges and costs related to charity care were \$231,297 and \$131,000 and for the year ended September 30, 2014, the charges and costs related to charity care were \$421,153 and \$219,000, respectively.

ESTIMATED MEDICAL MALPRACTICE AND WORKERS' COMPENSATION COSTS

The provision for estimated medical malpractice and workers' compensation claims includes estimates of the ultimate costs for both reported claims and claims incurred but not reported.

The Organization accounts for its insurance claims and related insurance recoveries in accordance with the provisions of ASU 2010-24, *Presentation of Insurance Claims and Related Insurance Recoveries*, which indicates that health care entities should not net insurance recoveries against the related claim liabilities.

BAD DEBTS

ASU 2011-07, *Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts*, requires certain health care entities to present the provision for bad debts associated with patient service revenue as a deduction from patient service revenue (net of contractual allowances and discounts) rather than as an operating expense. Refer to Note 3 for the additional disclosures required by ASU 2011-07.

RECLASSIFICATIONS

Certain 2014 amounts have been reclassified to conform to the 2015 presentation. Such reclassifications had no effect on net assets, the total deficiency of revenues over expenses, or the change in net assets previously reported.

JOHNSON MEMORIAL MEDICAL CENTER
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES AND ORGANIZATION (CONTINUED)

SUBSEQUENT EVENTS

The Organization evaluates the impact of subsequent events, events that occur after the balance sheet date but before the financial statements are issued, for potential recognition in the financial statements as of the balance sheet date or for disclosure in the notes to the financial statements. The Organization evaluated events occurring subsequent to September 30, 2015 through April 29, 2016, the date on which the accompanying financial statements were available to be issued. Reference is made to Note 1 regarding the sale of the majority of the Organization's unrestricted assets and transfer of certain liabilities in a number of transactions that occurred subsequent to September 30, 2015. The consolidated financial statements do not include any adjustments that resulted from these transactions.

NOTE 2 – CONSOLIDATED ENTITIES

Johnson Memorial Hospital is an acute care hospital located in Stafford Springs, Connecticut. The Hospital is licensed for 92 beds and provides a broad range of inpatient and outpatient services primarily throughout Hartford and Tolland Connecticut counties. Admitting physicians are primarily practitioners in the same geographic area. The Hospital has a controlling interest in JPA and Development.

JPA is a medical practice that is controlled by the Hospital. Although the Hospital does not have direct ownership interests in JPA, the Hospital has a controlling voting interest in the Board of JPA, thus enabling the Hospital to control the economic activities of JPA. Also, the Hospital provides funding to JPA to fund its operating losses.

Johnson Evergreen Corporation is a subsidiary of the Corporation. Evergreen is currently licensed as a 180-bed not-for-profit, skilled nursing facility located in Stafford Springs, CT.

Home & Community Health Services, Inc. is a subsidiary of the Corporation. HCHS is a tax-exempt, non-stock corporation, which provides and administers a comprehensive, multi-disciplinary, home health care and hospice program primarily to residents in North Central Connecticut.

JMS is a medical practice that is controlled by the Corporation. Although the Corporation does not have direct ownership interests in JMS, the Corporation has a controlling voting interest in the Board of JMS, thus enabling the Corporation to control the economic activities of JMS. JMS was dissolved during the year ended September 30, 2015, as it has not rendered medical services in several years.

JOHNSON MEMORIAL MEDICAL CENTER
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

NOTE 2 – CONSOLIDATED ENTITIES (CONTINUED)

Johnson Health Care Inc. (d/b/a Johnson Occupational Medicine Center) is an occupational medicine practice controlled by JMMC. The facility is located in Enfield, CT to treat patients injured on the job and performs other health care services related to the workplace including physical exams, drug screenings, rehabilitation, ergonomic evaluations, medical surveillance exams and travel immunizations. All services are designed to meet the needs of business and corporate clients.

On May 19, 2015, the Johnson Memorial Hospital Development Fund, Inc., Johnson Medical Specialists, P.C.; and WellCare, Inc. filed for dissolution of their respective corporation with the Secretary of the State of Connecticut. The State approved these actions on June 26, 2015 and the corporations were dissolved during the year ended September 30, 2015.

NOTE 3 – NET REVENUE FROM SERVICES TO PATIENTS AND CHARITY CARE

The following table summarizes net revenue from services to patients during the years ended September 30, 2015 and 2014:

	2015	2014
Gross patient service revenue	\$ 206,688,086	\$ 208,384,764
Contractual and other allowances	113,984,717	111,770,404
Net patient service revenue	92,703,369	96,614,360
Provision for bad debts	3,470,135	4,537,178
Net patient service revenue less provision for bad debts	\$ 89,233,234	\$ 92,077,182

Patient accounts receivable and revenue are recorded when patient services are performed. Amounts received from most payers are different from the established billing rates of the Organization, and these differences are accounted for as allowances.

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payers, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payers. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. For the years ended September 30, 2015 and 2014, the Organization recorded approximately \$1,704,000 and \$310,000, respectively, as an increase to net patient service revenue for changes in estimates related to third-party payer settlement accruals recorded in prior years.

JOHNSON MEMORIAL MEDICAL CENTER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

NOTE 3 – NET REVENUE FROM SERVICES TO PATIENTS AND CHARITY CARE (CONTINUED)

The following table represents the percentages of net revenue received from payers during the years ended September 30, 2015 and 2014:

	2015	2014
Medicare	37%	37%
Medicaid	19%	19%
Third Parties	37%	37%
Other	7%	7%

Changes in the Medicare and Medicaid programs and the reduction of funding levels could have an adverse impact on the Organization.

The Connecticut Medicaid inpatient hospital reimbursement model of interim per diem rates and case rate settlements transitioned to an All Patient Refined Diagnosis Related Group System (APR-DRG) where hospital payments are established prospectively for inpatients, admitted on or after January 1, 2015.

The significant concentrations of net accounts receivable for services to patients by payer at September 30, 2015 and 2014 follow:

	2015	2014
Medicare	32%	38%
Medicaid	27%	23%
Third Parties	36%	36%
Other	5%	3%

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. Compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action including fines, penalties, and exclusion from the Medicare and Medicaid programs. The Organization believes that it is in compliance with all applicable laws and regulations. Cost reports for the Hospital, which serve as a basis for final settlement with government payers, have been settled by final settlement through 2012 for Medicare and 2007 for Medicaid. Other years remain open for settlement.

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

JOHNSON MEMORIAL MEDICAL CENTER
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

NOTE 3 – NET REVENUE FROM SERVICES TO PATIENTS AND CHARITY CARE (CONTINUED)

MEASURING CHARITY CARE

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

Self-pay revenues are derived primarily from patients who do not have any form of health care coverage. The revenues associated with self-pay patients are generally reported at the Organization's gross charges.

The Organization evaluates these patients, after the patient's medical condition is determined to be stable, for their ability to pay based upon federal and state poverty guidelines, qualifications for Medicaid or other governmental assistance programs, as well as the Organization's policy for charity care. The Organization provides care without charge to certain patients that qualify under its charity care policy. For the years ended September 30, 2015 and 2014, the Organization estimates that its costs of care provided under its charity care programs approximated \$131,000 and \$219,000, respectively.

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

JOHNSON MEMORIAL MEDICAL CENTER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

NOTE 3 – NET REVENUE FROM SERVICES TO PATIENTS AND CHARITY CARE (CONTINUED)

BAD DEBTS

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

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

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

A summary of the Organization's allowance for doubtful accounts activity for the years ended September 30, 2015 and 2014 is as follows:

	Balance at Beginning of Period	Additions Recorded in the Provision for Bad Debts	Accounts Written off, Net of Recoveries and Other	Balance at End of Period
Allowance for doubtful accounts:				
Year ended September 30, 2015	\$ (5,186,000)	\$ (3,470,135)	\$ 2,414,135	\$ (6,242,000)
Year ended September 30, 2014	\$ (4,170,000)	\$ (4,537,178)	\$ 3,521,178	\$ (5,186,000)

JOHNSON MEMORIAL MEDICAL CENTER
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

NOTE 4 – REGULATORY ENVIRONMENT

The health care industry is subject to numerous laws and regulations of federal, state and local government. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Government activity continues with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed.

NOTE 5 – DEFERRED FINANCING COSTS

Deferred financing costs, which were incurred in connection with the debt, are being amortized over the term of the related debt. Amortization expense for deferred financing costs amounted to \$10,157 and \$11,124 for the years ended September 30, 2015 and 2014, respectively.

JOHNSON MEMORIAL MEDICAL CENTER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

NOTE 6 – ASSETS WHOSE USE IS LIMITED

The composition of assets whose use is limited, which include beneficial interests in perpetual trusts, cash restricted for payment of workers' compensation claims, and investments permanently restricted by donors, are set forth in the following table. Investments are recorded on the consolidated balance sheets at fair value.

	September 30, 2015	
	Cost	Fair Value
Cash and cash equivalents	\$ 1,350,783	\$ 1,350,783
Money market funds	7,582	7,582
Mutual funds - equity	56,730	51,687
Mutual funds - fixed	42,873	39,692
Collective funds - equity	545,610	506,043
Collective funds - fixed	63,475	63,608
Investment grade taxable bonds	294,901	289,620
Equities		
U.S. large cap	939,564	933,307
U.S. mid cap	246,327	263,910
U.S. small cap	220,335	232,887
International developed	472,704	461,849
Emerging markets	194,864	172,909
Real estate	189,072	207,794
Tangible assets - commodities	144,029	95,365
	<u>\$ 4,768,849</u>	<u>\$ 4,677,036</u>

JOHNSON MEMORIAL MEDICAL CENTER
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

NOTE 6 – ASSETS WHOSE USE IS LIMITED (CONTINUED)

	September 30, 2014	
	Cost	Fair Value
Cash and cash equivalents	\$ 1,386,944	\$ 1,386,944
Money market funds	12,122	12,122
Mutual funds - equity	56,730	65,074
Mutual funds - fixed	44,414	44,516
Collective funds - equity	496,374	523,180
Collective funds - fixed	332,613	351,046
Equities		
U.S. large cap	783,027	864,449
U.S. mid cap	359,596	414,548
U.S. small cap	189,136	208,034
International developed	487,064	521,272
Emerging markets	256,803	264,411
Real estate	247,151	247,414
Tangible assets - commodities	168,678	143,570
	<u>\$ 4,820,652</u>	<u>\$ 5,046,580</u>

Investment income on investments recorded in the consolidated statements of operations for the years ended September 30 are below.

	2015	2014
Investment income		
Dividends and interest	\$ 183,793	\$ 210,158
Less investment management fees	<u>(24,276)</u>	<u>(43,983)</u>
Net investment income	<u>\$ 159,517</u>	<u>\$ 166,175</u>

JOHNSON MEMORIAL MEDICAL CENTER
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

NOTE 7 – FAIR VALUE MEASUREMENTS

Assets and liabilities recorded at fair value in the financial statements are categorized, for disclosure purposes, based upon whether the inputs used to determine their fair values are observable or unobservable utilizing a three-level fair value hierarchy that prioritizes the inputs used to measure assets and liabilities at fair value. Level inputs are as follows:

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

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

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

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

JOHNSON MEMORIAL MEDICAL CENTER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

NOTE 7 – FAIR VALUE MEASUREMENTS (CONTINUED)

The following table summarizes fair value measurements, by level, at September 30, 2015 and 2014 for all assets and liabilities which are measured at fair value on a recurring basis in the financial statements:

	Level 1	Level 2	Level 3	Total
September 30, 2015				
Beneficial interests in perpetual trusts:				
Cash and cash equivalents	\$ 99,668	\$ --	\$ --	\$ 99,668
Money market funds	7,582	--	--	7,582
Mutual funds - equity	51,687	--	--	51,687
Mutual funds - fixed	39,692	--	--	39,692
Collective funds - equity	--	--	506,043	506,043
Collective funds - fixed	--	--	63,608	63,608
Investment grade taxable bonds	289,620			289,620
Equities				
U.S. large cap	933,307	--	--	933,307
U.S. mid cap	263,910	--	--	263,910
U.S. small cap	232,887	--	--	232,887
International developed	461,849	--	--	461,849
Emerging markets	172,909	--	--	172,909
Real estate	207,794	--	--	207,794
Tangible assets - commodities	--	--	95,365	95,365
Total Beneficial interests in perpetual trusts	2,760,905	--	665,016	3,425,921
Restricted cash and board designated investments				
investments	224,917	--	--	224,917
Cash and investments permanently restricted by donor				
permanently restricted by donor	1,026,198	--	--	1,026,198
	\$ 4,012,020	\$ --	\$ 665,016	\$ 4,677,036

JOHNSON MEMORIAL MEDICAL CENTER
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

NOTE 7 – FAIR VALUE MEASUREMENTS (CONTINUED)

	Level 1	Level 2	Level 3	Total
September 30, 2014				
Beneficial interests in perpetual trusts:				
Cash and cash equivalents	\$ 133,687	\$ --	\$ --	\$ 133,687
Money market funds	12,122	--	--	12,122
Mutual funds - equity	65,074	--	--	65,074
Mutual funds - fixed	44,516	--	--	44,516
Collective funds - equity	--	--	523,180	523,180
Collective funds - fixed	--	--	351,046	351,046
Equities				
U.S. large cap	864,449	--	--	864,449
U.S. mid cap	414,548	--	--	414,548
U.S. small cap	208,034	--	--	208,034
International developed	521,272	--	--	521,272
Emerging markets	264,411	--	--	264,411
Real estate	247,414	--	--	247,414
Tangible assets - commodities	--	--	143,570	143,570
Total Beneficial interests in perpetual trusts	2,775,527	--	1,017,796	3,793,323
Restricted cash and board designated investments	224,048	--	--	224,048
Cash and investments permanently restricted by donor	1,029,209	--	--	1,029,209
	<u>\$ 4,028,784</u>	<u>\$ --</u>	<u>\$ 1,017,796</u>	<u>\$ 5,046,580</u>

JOHNSON MEMORIAL MEDICAL CENTER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

NOTE 7 – FAIR VALUE MEASUREMENTS (CONTINUED)

The changes in fair value of assets measured using significant unobservable inputs (Level 3) were comprised of the following:

	<u>Beneficial Interests in Perpetual Trusts</u>
Balance at September 30, 2013	\$ 701,716
Purchases of investments	426,381
Sales of investments	(64,819)
Changes in fair value	<u>(45,482)</u>
Balance at September 30, 2014	1,017,796
Purchases of investments	49,236
Sales of investments	(293,787)
Changes in fair value	<u>(108,229)</u>
Balance at September 30, 2015	<u>\$ 665,016</u>

NOTE 8 – RESTRICTED ENDOWMENTS

The Organization's endowments consist of donor-restricted endowment funds and beneficial interests in perpetual trusts. Net assets associated with endowment funds are classified and reported based on donor-imposed restrictions.

The Organization's Board of Directors has interpreted the Connecticut Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor restricted endowment funds, absent explicit donor stipulations to the contrary. This does not apply to beneficial interests in perpetual trusts where the fair value of the investments is the basis for the amount recorded as permanently restricted net assets.

As a result of the interpretation of UPMIFA, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and, if applicable, (c) accumulations to the permanent endowment made in accordance with the related gift's donor instructions. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted or unrestricted net assets based on the donors' stipulations and those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard for expenditures as proscribed by UPMIFA.

JOHNSON MEMORIAL MEDICAL CENTER
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

NOTE 8 – RESTRICTED ENDOWMENTS (CONTINUED)

In accordance with UPMIFA, the Organization considers the following factors in making determinations to appropriate or accumulate donor-restricted endowment funds:

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

RETURN OBJECTIVES AND RISK PARAMETERS

For the permanently restricted endowment funds, the bank, acting in its capacity as trustee, determines and directs the investment policy and asset allocation. The Organization expects these endowment funds, over time, to provide an average rate of return that exceeds the rate of inflation annually. Actual returns in any given year may vary from this amount.

STRATEGIES EMPLOYED FOR ACHIEVING OBJECTIVES

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

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

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

JOHNSON MEMORIAL MEDICAL CENTER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

NOTE 8 – RESTRICTED ENDOWMENTS (CONTINUED)

ENDOWMENT NET ASSET (DEFICIT) COMPOSITION BY TYPE OF FUND AS OF SEPTEMBER 30, 2015 AND 2014:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
September 30, 2015				
Donor-restricted endowment funds	\$ (11,058)	\$ 23,434	\$ 1,013,822	\$ 1,026,198
Beneficial interests in perpetual trusts	--	--	3,425,921	3,425,921
	<u>\$ (11,058)</u>	<u>\$ 23,434</u>	<u>\$ 4,439,743</u>	<u>\$ 4,452,119</u>
September 30, 2014				
Donor-restricted endowment funds	\$ (8,047)	\$ 23,434	\$ 1,013,822	\$ 1,029,209
Beneficial interests in perpetual trusts	--	--	3,793,323	3,793,323
	<u>\$ (8,047)</u>	<u>\$ 23,434</u>	<u>\$ 4,807,145</u>	<u>\$ 4,822,532</u>

CHANGES IN ENDOWMENT NET ASSETS FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
September 30, 2015				
Endowment net assets (deficit), beginning	\$ (8,047)	\$ 23,434	\$ 4,807,145	\$ 4,822,532
Investment return:				
Investment losses	(3,011)	--	--	(3,011)
Net unrealized losses	--	--	(367,402)	(367,402)
Total investment return	<u>(3,011)</u>	<u>--</u>	<u>(367,402)</u>	<u>(370,413)</u>
Appropriation of endowment assets for expenditure	--	--	--	--
Endowment net assets (deficit), ending	<u>\$ (11,058)</u>	<u>\$ 23,434</u>	<u>\$ 4,439,743</u>	<u>\$ 4,452,119</u>

JOHNSON MEMORIAL MEDICAL CENTER
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

NOTE 8 – RESTRICTED ENDOWMENTS (CONTINUED)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
September 30, 2014				
Endowment net assets (deficit), beginning	\$ (7,680)	\$ 24,459	\$ 4,743,549	\$ 4,760,328
Investment return:				
Investment income	165,130	--	--	165,130
Net unrealized gains	<u> --</u>	<u> --</u>	<u> 63,596</u>	<u> 63,596</u>
Total investment return	<u>165,130</u>	<u> --</u>	<u> 63,596</u>	<u> 228,726</u>
Appropriation of endowment assets for expenditure	<u>(165,497)</u>	<u> (1,025)</u>	<u> --</u>	<u>(166,522)</u>
Endowment net assets (deficit), ending	<u>\$ (8,047)</u>	<u>\$ 23,434</u>	<u>\$ 4,807,145</u>	<u>\$ 4,822,532</u>

NOTE 9 – TEMPORARILY RESTRICTED AND PERMANENTLY RESTRICTED NET ASSETS

Temporarily restricted net assets as of September 30 are as follows:

	2015	2014
Grant proceeds subject to use restrictions	\$ 471,517	\$ 332,881
Other receivables subject to time restrictions	45,283	35,846
Indigent, elderly women's care	12,009	12,130
Scholarships	6,831	8,937
Other	<u>17,635</u>	<u>20,801</u>
	<u>\$ 553,275</u>	<u>\$ 410,595</u>

Permanently restricted net assets as of September 30 are restricted in perpetuity, the income from which is expendable to support the following:

	2015	2014
Health care services and operations	\$ 4,376,854	\$ 4,744,256
Elderly assistance	40,261	40,261
Scholarships	<u>22,628</u>	<u>22,628</u>
	<u>\$ 4,439,743</u>	<u>\$ 4,807,145</u>

JOHNSON MEMORIAL MEDICAL CENTER
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

NOTE 10 – PROPERTY, PLANT AND EQUIPMENT

The components of cost and the related accumulated depreciation comprising property, plant and equipment as of September 30, 2015 and 2014 are as follows:

	2015	2014
Land	\$ 1,122,190	\$ 1,122,190
Land improvements	3,530,300	3,530,300
Building and improvements	48,971,462	48,209,844
Fixed and movable equipment	<u>43,861,053</u>	<u>38,249,634</u>
	97,485,005	91,111,968
Less accumulated depreciation	<u>(70,147,136)</u>	<u>(67,842,153)</u>
	<u>\$ 27,337,869</u>	<u>\$ 23,269,815</u>

Depreciation and amortization expense for property, plant and equipment amounted to \$2,408,987 and \$3,215,451 for the years ended September 30, 2015 and 2014, respectively. Included within depreciation and amortization expense on the statements of operations is amortization for capital leased assets of \$52,867 and \$21,606 for the years ended September 30, 2015 and 2014, respectively (see Note 12).

2014 IMPAIRMENT OF EVERGREEN'S LONG-LIVED ASSETS

Evergreen continued to experience operating losses and had an average occupancy below the level required to generate positive cash flows from operations and to make debt and other payments as they became due.

As a result of these factors, management performed testing to compare the carrying values of the assets to the undiscounted cash flows expected to result from the continued operations and the estimated proceeds from the potential sale of Evergreen.

Fair value was estimated by management based on a cash flow analysis which indicated that the fair value of the property and equipment was approximately \$3 million as of September 30, 2014 which was less than the recorded carrying value. Evergreen recorded an impairment loss on long-lived assets of \$2,452,326 during the year ended September 30, 2014. No additional impairment loss was recorded during the year ended September 30, 2015.

JOHNSON MEMORIAL MEDICAL CENTER
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

NOTE 11 – DEBT

On August 1, 2006, the Hospital entered into a \$13,700,000 commercial construction mortgage loan with a bank. The loan was used to finance the expansion and renovation of the emergency department, three nursing units, the psychiatric unit, and two medical and surgical units, and to refinance the Hospital's existing loans (collectively, the Project). In December 2007, the loan was converted to a term loan, which is guaranteed by the United States Department of Agriculture (USDA) through the USDA Rural Development Community Facilities Program. The term loan calls for equal quarterly principal payments of \$85,625 over 40 years and was scheduled to mature on January 1, 2048. Fifty percent of the loan bears interest at the bank's five year cost of borrowing plus 1.50% and fifty percent of the loan bears interest at the three month LIBOR plus 1.25%. The interest rates in effect at September 30, 2015 were 6.63% and 1.53%, respectively. The interest rates in effect at September 30, 2014 were 6.63% and 1.48%, respectively.

As of September 30, 2015 and 2014, there was a principal balance of \$11,987,500 due on the Hospital's mortgage.

The Hospital is required to meet certain financial covenants under the mortgage. During the years ended September 30, 2015 and 2014, the Hospital failed certain covenants and failed to make any mortgage principal payments. The bank had the right to demand immediate payment of the \$11,987,500 balance of the mortgage which had been classified as a current liability as of September 30, 2014. This loan was restructured and interest and principal was paid on January 4, 2016 as part the asset purchase agreement with Saint Francis.

In 2006, the Hospital entered into a loan to finance certain information systems equipment at an interest rate of 5.5%. The Hospital failed to make payments in accordance with the loan terms. The Hospital's loan to refinance information equipment was restructured to be paid in 60 monthly installments of \$10,000. The present value of the settlement value of this loan was \$125,002 at September 30, 2014 and the loan was repaid during the year ended September 30, 2015.

On August 28, 2007, Evergreen entered into a \$15,200,000 Loan Agreement with a bank which is evidenced by a promissory note in the amount of \$14,200,000 and a second note of \$1,000,000. The \$1,000,000 note is collateralized by a mortgage deed and security agreement from Evergreen. The \$14,200,000 note is collateralized by a mortgage deed and security agreement from Evergreen and was converted from a construction loan to term loan effective November 30, 2010.

Upon conversion to a term loan, fifty percent of the outstanding principal balance of the \$14,200,000 note began to accrue interest at the variable rate equal to three month LIBOR plus 1.20% (1.48% at September 30, 2015 and 1.43% at September 30, 2014).

JOHNSON MEMORIAL MEDICAL CENTER
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

NOTE 11 – DEBT (CONTINUED)

The remaining fifty percent of the principal will accrue interest at the fixed rate based on the bank's ten year cost of borrowing plus 1.20% (4.73%).

Principal was scheduled to be paid in quarterly payments in the amount of \$95,946 through September 1, 2047 at which time the outstanding principal balance plus accrued interest thereon was scheduled to be due and payable. Interest was payable on a quarterly basis.

The fixed rate portion of the loan may be prepaid, but is subject to a prepayment fee equal to 2% of the amount prepaid.

The \$1,000,000 loan will accrue interest at the fixed rate based on the bank's ten year cost of borrowing plus 1.20% (4.73%). Principal was scheduled to be paid quarterly in the amount of \$6,757 through September 1, 2047 at which time the outstanding principal balance plus accrued interest thereon was scheduled to be due and payable. Interest is also payable on a quarterly basis. This loan may be prepaid, but is subject to a prepayment fee equal to 2% of the amount prepaid.

As of September 30, 2015 and 2014, there was a balance of \$14,213,697 due on Evergreen's loans.

Evergreen is required to meet certain financial covenants. During the years ended September 30, 2015 and 2014, Evergreen failed certain covenants and failed to make its loan payments. The bank had the right to demand immediate payment of the \$14,213,697 balance of the loan which had been classified as a current liability as of September 30, 2014.

In August 2004, JMMC entered into a mortgage loan with a bank in the amount of \$4,500,000 for the purpose of refinancing certain mortgage loans. The loan bears interest at a variable rate based on LIBOR plus 1.50% (1.70% at September 30, 2015 and 1.66% at September 30, 2014). Principal was payable in monthly installments of \$15,000. The balance of the JMMC mortgage loan was \$2,940,000 at September 30, 2015 and 2014. JMMC failed to make mortgage payments resulting in a delinquent balance at September 30, 2015 and 2014. The loan had been classified as a current liability as of September 30, 2014. This loan was restructured and interest and principal was paid on January 4, 2016 as part the asset purchase agreement with Saint Francis.

JOHNSON MEMORIAL MEDICAL CENTER
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

NOTE 11 – DEBT (CONTINUED)

The other long-term debt of \$2,350,000 as of September 30, 2015 and 2014, represented the amounts owed to Saint Francis under the terms of the affiliation agreement. Reference is made to Note 1. This debt was not subject to interest.

In September 2010, the Corporation, the Hospital, Evergreen, HCHS, JHC, Development, WellCare, Inc., JPA and JMS (the Borrowers) entered into a Revolving Loan and Security Agreement (senior debt under revolving line of credit) with a lender for an amount not to exceed the lesser of \$8 million or the maximum borrowing base (85% of the book value of all eligible receivables). Under the original agreement, amounts outstanding bear interest at the rate of the 3 month LIBOR rate plus 4.25% payable monthly in arrears. In the event of a default, the agreement provides for an increase in the interest rate by up to 4%. The interest rate as of September 30, 2014 was 7.75%. The Organization has granted the lender a security interest in accounts receivable.

In connection with the bankruptcy filing, on January 16, 2015, this lender entered into a debtor in possession loan agreement with the Borrowers which replaced the Revolving Loan and Security Agreement. The amount of the debtor in possession loan is not to exceed the lesser of \$7 million or the maximum borrowing base (85% of the book value of all eligible receivables as defined). The amounts outstanding bear interest at the rate of the 3 month LIBOR rate plus 5.25% payable monthly in arrears. In the event of a default, the agreement provides for an increase in the interest rate. The interest rate as of September 30, 2015 was 9.00%. The Organization has granted the lender a security interest in substantially all of its unrestricted assets.

As of September 30, 2015 and 2014, there were outstanding borrowings of \$3,581,867 and \$1,604,830, under the debtor in possession loan and Loan and Security Agreement, respectively.

The Borrowers are subject to a number of covenants and restrictions under the debtor in possession loan and Revolving Loan and Security Agreement. These include the following affirmative and negative covenants: provision of monthly, quarterly and annual financial information, adequate insurance coverage, notice of certain events and changes, change in ownership or management, restrictions on indebtedness and lease agreements, sale of assets, protection of collateral and financial covenants prepared on a consolidated basis for the Borrowers including cash flow and debt service coverage ratio requirements.

During 2015 and 2014, the Borrowers failed to comply with various covenants under the debtor in possession loan and Revolving Loan and Security Agreement which resulted in the lender imposing an interest penalty.

JOHNSON MEMORIAL MEDICAL CENTER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

NOTE 11 – DEBT (CONTINUED)

With the sale transactions described in Note 1, this loan (including accrued interest) was paid in full at the time of closing on the transactions. On December 29, 2015, the purchasers of Evergreen paid \$1,328,605 and on January 4, 2016, Trinity Health – New England, Inc. paid \$4,473,434 which represented the balances owed on the debtor in possession loan on the closing dates.

NOTE 12 – LEASE OBLIGATIONS

CAPITAL LEASES

The Organization has entered into non-cancelable capital lease obligations for certain equipment. The cost of the assets is being amortized over the useful lives of the assets and is summarized as of September 30, 2015 and 2014 are as follows:

	2015	2014
Equipment	\$ 5,690,500	\$ 1,026,398
Less accumulated amortization	<u>(74,472)</u>	<u>(43,686)</u>
	<u>\$ 5,616,028</u>	<u>\$ 982,712</u>

The Hospital entered into a five year capital lease agreement to lease generators with a cost of \$688,000 which commenced on March 1, 2014. The monthly lease payments, including interest, will be \$10,500 for the first year and \$15,400 for the remainder of the lease term with total payments of \$865,296. The Hospital made a security deposit of \$206,000 to secure the lease that is returnable at the end of the lease period.

The Hospital entered into a three year capital lease agreement to lease a magnetic chiller with a cost of \$277,000 which commenced on September 1, 2014. The monthly lease payments, including interest, will be \$7,829 over the lease term with total payments of \$281,844. The Hospital made a security deposit of \$15,658 to secure the lease that is returnable at the end of the lease period.

The Hospital entered into a seven year lease agreement on September 1, 2015 in the amount of \$4,725,500 for equipment needed for the EPIC system implementation. The monthly lease payments including interest are \$64,050 over the lease term with total payments of \$5,380,163.

JOHNSON MEMORIAL MEDICAL CENTER
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

NOTE 12 – LEASE OBLIGATIONS (CONTINUED)

CAPITAL LEASES (CONTINUED)

Future minimum lease payments under the capital leases together with the present value of future minimum lease payments, as of September 30, 2015 are as follows:

2016	\$ 1,047,343
2017	1,039,514
2018	953,395
2019	858,754
2020	768,595
Thereafter	<u>1,473,140</u>
Total future minimum lease payments	6,140,741
Less amounts representing interest	<u>730,410</u>
Present value of future minimum lease payments	5,410,331
Less current portion	<u>838,274</u>
	<u><u>\$ 4,572,057</u></u>

OPERATING LEASES

HCHS leases office space from an unaffiliated party in Enfield, Connecticut under a lease agreement. The lease commenced on December 1, 2011 and expires on November 30, 2016. The monthly rent is \$8,301 per month under the agreement plus additional rent for HCHS's proportional share of building operating expenses. The rent expense under this lease was \$147,503 and \$140,762 for the years ended September 30, 2015 and 2014, respectively.

The Organization leases various computer equipment, medical equipment and office space under operating leases, which expire at various dates through 2017. Rent expense under the operating leases was \$2,263,965 in 2015 and \$2,368,023 in 2014. These leases have various terms and conditions.

Minimum future rental commitments on non-cancelable operating leases with initial or remaining terms of more than one year as of September 30, 2015 are as follows:

2016	\$ 455,611
2017	<u>16,602</u>
	<u><u>\$ 472,213</u></u>

JOHNSON MEMORIAL MEDICAL CENTER
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

NOTE 13 – EMPLOYEE BENEFIT PLANS

The Hospital had a defined benefit pension plan that covered certain employees. Pursuant to the plan of reorganization, the Pension Benefit Guaranty Corporation assumed control of the defined benefit plan effective September 1, 2011.

The Hospital has a defined contribution plan (the Plan) whereby all employees who have attained the age of 21 and completed one year of employment (1,000 hours of service) are eligible to participate and become fully vested after 5 years. Annually, the Hospital may contribute a defined amount of employees' salaries to the Plan. Effective January 1, 2011, the Hospital suspended the matching of non-union employee contributions; it continued to pay the match on union employees up until June 2012, at which time only those union employees that had been grandfathered in to the pension plan were matched. The total expense incurred by the Hospital for contributions to the Plan was \$228,346 and \$272,339 in 2015 and 2014, respectively.

Evergreen has a defined contribution plan whereby all employees who have attained the age of 21 and completed one year of employment (1,000 hours of service) are eligible to participate and become fully vested after 5 years. Annually, Evergreen may contribute a defined amount of employees' salaries to the Plan. Effective January 1, 2011, Evergreen suspended the matching of employee contributions. There were no expenses incurred by Evergreen for contributions in 2015 and 2014.

HCHS has a defined contribution pension plan covering substantially all employees who have satisfied certain eligibility requirements. As of January 1, 2011, management suspended the matching of employee contributions and no expense was recorded in the 2015 and 2014 statement of operations.

NOTE 14 – SELF-INSURANCE CLAIMS

There have been medical malpractice and workers' compensation claims that have been asserted against the Organization. In addition, there are known incidents that have occurred through September 30, 2015 that may result in the assertion of claims. Management of the Organization has accrued its best estimate of these contingent losses. Other claims may be asserted arising from services provided to patients or workers' compensation incidents in the past. Management of the Organization has provided reserves for these contingent liabilities.

JOHNSON MEMORIAL MEDICAL CENTER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

NOTE 15 – PROFESSIONAL, GENERAL LIABILITY AND WORKERS’ COMPENSATION INSURANCE

For claims incurred through August 31, 2009, the Organization was self-insured for professional liability and general liability claims. The Organization has an excess umbrella claims made policy for claims in excess of the Organization’s self-insured limits on a claims made basis.

For claims incurred after August 31, 2009, the Organization was covered under commercial claims made policies with no deductible and coverage of \$1,000,000 per claim and an annual aggregate of \$3,000,000 for all of the entities covered under the policy.

The Organization’s independent actuary estimated the expected costs to settle claims incurred during the self-insured period and claims that were incurred but not reported (IBNR) under its claims made insurance policy. Accrued losses have been discounted at 3%.

The Organization has recorded accrued liabilities of \$691,095 and \$690,063 for the estimated claims that have been incurred but not reported and cases incurred during the self-insured period for its professional liability and general liability insurance risks as of September 30, 2015 and 2014, respectively.

The Organization was also self-insured for workers compensation claims through March 16, 2009 at which time it obtained commercial insurance. The Hospital’s workers’ compensation policy had no deductible and policy limits of \$1,000,000 per case with no aggregate limit for claims incurred after March 16, 2009 through May 30, 2014. Effective May 31, 2014, the Hospital obtained a new workers’ compensation insurance policy that had a \$250,000 deductible per claim and a \$2,000,000 aggregate deductible. The policy provides for limits of \$1,000,000 per case with no annual limit.

As of September 30, 2015 and 2014, the Organization recorded liabilities of \$996,255 and \$330,738, respectively, related to its estimated portion of the deductible for workers’ compensation incidents.

In accordance with the provisions of ASU 2010-24, the Organization recorded recoverables from insurance companies for the estimated costs to settle fully insured malpractice and workers’ compensation claims in the amounts of \$1,350,960 and \$2,197,508 as of September 30, 2015 and 2014, respectively. The Organization has recorded liabilities equal to these amounts as of September 30, 2015 and 2014.

JOHNSON MEMORIAL MEDICAL CENTER
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

NOTE 16 – COMMITMENTS AND CONTINGENCIES

The Organization is a party to various lawsuits incidental to its business. The Organization also has the following environmental exposures. The Connecticut Department of Environmental Protection (DEP) issued a consent order (Sewer Order) which requires the Hospital to perform repairs or replacements to the aging wastewater treatment system at the Hospital.

The Sewer Order requires a short-term and a long-term solution. The short-term work has been completed in accordance with the Sewer Order and the Hospital has been reporting to the DEP on the status of the short-term solution. Under the long-term solution, the Hospital was required to submit to the DEP for review and approval a schedule for: (i) the investigation of and remedial action alternatives to abate any pollution at the site arising from the operation of the on-site sewage treatment system or (ii) the construction of sanitary sewers to connect the Hospital to the Stafford Water Pollution Control Facility.

The schedule originally provided for completion of the actions not later than December 31, 2014, but this deadline was extended until July 31, 2015. The Hospital signed a letter of intent with the Town of Stafford to participate in a project that will connect the Hospital to the Stafford Water Pollution Control Facility, as well as to connect it to services from Connecticut Water Company and Yankee Gas. As of September 30, 2015, funds to finance the project had not been secured.

The DEP filed a civil suit in 2007 in which the DEP sought civil penalties and temporary and permanent injunctions prohibiting the Hospital from violating the hazardous waste management regulations, preventing the Hospital from maintaining a discharge to the waters of the state and violating its air permit. Five of the six counts arose from allegations relating to the use of an underground storage tank for the storage of x-ray developer fixer and the release of the developer fixer from the tank. Use of that tank ended in April 2004 and the tank was removed. Part of the injunctive relief sought is an order requiring the investigation and remediation of the release of x-ray development fixer. The sixth count alleged that the Hospital violated its general air permit by submitting its annual compliance certification for 2005 ten months late. The Hospital has recorded a conditional retirement obligation related to the costs of an environmental investigation, but has not recorded a liability for any potential costs to remediate the site due to the fact that such costs, if any, cannot be reasonably estimated until the investigation is performed. Hospital management indicated that the Hospital previously remediated the site when the tank was originally removed.

JOHNSON MEMORIAL MEDICAL CENTER
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

NOTE 16 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

By letter dated April 7, 2014, the DEP agreed with a recommendation made in the January 2014 report that the consultant cease monitoring for nitrate based on the testing results for that constituent. The DEP expressed a concern and made a request that the consultant establish background concentrations for sulfate in groundwater for the site that is unaffected by release such as the on-site septic system or from the former x-ray developer tank. In October 2014, the DEP staff concurred with the consultant's proposed plan to continue monitoring on a semiannual basis, ammonia and nitrate in the remaining monitoring wells.

The Organization submitted a letter to DEP on August 3, 2015 again requesting an extension for the fourth time over the past year. To date, DEP has yet to provide an extension nor have they made any final conclusions with respect to the Consent Order. The only representation made by DEP is that JMMC work with the Town of Stafford regarding the gas, water and sewer project. However, JMMC had not received a final draft proposal from the Town of Stafford pertaining to the project.

The Organization has hired an environmental engineering firm and an engineering consulting company to review the Hospital's compliance with the Consent Order. Based on the report from the environmental engineering firm, the Organization is in full compliance with the Consent Order. In addition, the Organization hired an engineering consulting firm to work with the environmental engineering firm and the Hospital to facilitate the sewer project and the completion of the Consent Order. The report will be submitted to DEP once final.

NOTE 17 – CONCENTRATIONS OF CREDIT RISK

The Organization's financial instruments that are exposed to concentrations of credit risk consist primarily of cash, investments and accounts receivable.

The Organization places its cash deposits with high credit-quality institutions, which, at times, may exceed the Federal Deposit Insurance Corporation limits of \$250,000 per bank. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

JOHNSON MEMORIAL MEDICAL CENTER
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

NOTE 18 – FUNCTIONAL EXPENSES

The Organization provides patient care services to residents within its geographic location. Expenses related to providing these services are as follows for the years ended September 30:

	<u>2015</u>	<u>2014</u>
Patient care services	\$ 80,023,846	\$ 77,537,882
General and administrative (including depreciation and amortization, interest and operations)	14,985,116	17,157,974
Reorganization items	<u>2,282,699</u>	<u>--</u>
	<u>\$ 97,291,661</u>	<u>\$ 94,695,856</u>



INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

Board of Directors
Johnson Memorial Medical Center

We have audited the consolidated financial statements of Johnson Memorial Medical Center as of and for the years ended September 30, 2015 and 2014, and our report thereon dated April 29, 2016, which contained an unmodified opinion with an emphasis of matter on those consolidated financial statements, appears on page 1. Our audits were performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information is presented for the purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

Marcum LLP

Hartford, CT
April 29, 2016



JOHNSON MEMORIAL MEDICAL CENTER

CONSOLIDATING BALANCE SHEET

SEPTEMBER 30, 2015

	Hospital	JPA	Elimination	Consolidated JMHC	JMMC	EHCC	HCHS	JMS	JHC	Elimination	Total
Assets											
Current Assets											
Cash and cash equivalents	\$ 1,675,853	\$ --	\$ --	\$ 1,675,853	\$ 54,643	\$ 300	\$ 800	\$ --	\$ 7,144	\$ --	\$ 1,738,740
Patient trust funds	--	--	--	--	--	66,862	--	--	--	--	66,862
Patients accounts receivable, net of allowances for uncollectible accounts	9,554,938	216,040	--	9,770,978	--	1,580,143	801,057	--	94,773	--	12,246,951
Insurance and other receivables	329,908	37,283	--	367,191	2,461	148,814	18,794	--	127	--	537,387
Inventories	1,497,131	--	--	1,497,131	--	26,625	--	--	--	--	1,523,756
Prepaid expenses and other current assets	1,506,354	31,180	--	1,537,534	15,091	236,586	86,587	--	4,321	--	1,880,119
Total Current Assets	<u>14,564,184</u>	<u>284,503</u>	<u>--</u>	<u>14,848,687</u>	<u>72,195</u>	<u>2,059,330</u>	<u>907,238</u>	<u>--</u>	<u>106,365</u>	<u>--</u>	<u>17,993,815</u>
Assets Whose Use is Limited											
Beneficial interests in perpetual trusts	3,425,921	--	--	3,425,921	--	--	--	--	--	--	3,425,921
Restricted cash and board designated investments	224,917	--	--	224,917	--	--	--	--	--	--	224,917
Cash and investments restricted by donor	843,587	--	--	843,587	--	--	182,611	--	--	--	1,026,198
Total Assets Whose Use is Limited	<u>4,494,425</u>	<u>--</u>	<u>--</u>	<u>4,494,425</u>	<u>--</u>	<u>--</u>	<u>182,611</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>4,677,036</u>
Other Assets											
Property, plant and equipment, net	20,673,496	74,718	--	20,748,214	3,797,338	2,766,856	25,461	--	--	--	27,337,869
Investment in joint ventures	3,467,074	--	--	3,467,074	--	--	--	--	--	--	3,467,074
Investment deficit in affiliated corporations	--	--	--	--	(3,119,194)	--	--	--	--	3,119,194	--
Investments, other	--	--	--	--	--	--	--	--	--	--	--
Due from affiliated corporations	7,627,674	--	(7,627,674)	--	3,404,867	--	--	--	--	(3,404,867)	--
Deferred financing costs, net	158,369	--	--	158,369	--	120,138	--	--	--	--	278,507
Other noncurrent assets	1,200,413	--	--	1,200,413	--	--	7,134	--	--	--	1,207,547
Total Other Assets	<u>33,127,026</u>	<u>74,718</u>	<u>(7,627,674)</u>	<u>25,574,070</u>	<u>4,083,011</u>	<u>2,886,994</u>	<u>32,595</u>	<u>--</u>	<u>--</u>	<u>(285,673)</u>	<u>32,290,997</u>
	<u>\$ 52,185,635</u>	<u>\$ 359,221</u>	<u>\$ (7,627,674)</u>	<u>\$ 44,917,182</u>	<u>\$ 4,155,206</u>	<u>\$ 4,946,324</u>	<u>\$ 1,122,444</u>	<u>\$ --</u>	<u>\$ 106,365</u>	<u>\$ (285,673)</u>	<u>\$ 54,961,848</u>

See independent auditors' report on supplementary information.

JOHNSON MEMORIAL MEDICAL CENTER

CONSOLIDATING BALANCE SHEET (CONTINUED)

SEPTEMBER 30, 2015

	Hospital	JPA	Elimination	Consolidated JMH	JMMC	EHCC	HCHS	JMS	JHC	Elimination	Total
Liabilities and Net Assets (Deficit)											
Liabilities Not Subject to Compromise											
Current Liabilities											
Trade accounts payable and accrued expenses	\$ 6,208,837	\$ 78,071	\$ --	6,286,908	\$ 148,910	\$ 2,474,593	\$ 507,707	\$ --	\$ 58,128	\$ --	\$ 9,476,246
Accrued payroll and related costs	1,895,078	127,163	--	2,022,241	--	474,544	162,809	--	18,358	--	2,677,952
Current payments due under plan of reorganization	--	--	--	--	--	--	--	--	--	--	--
Patient trust funds	--	--	--	--	--	66,862	--	--	--	--	66,862
Senior debt under line of credit	3,581,867	--	--	3,581,867	--	--	--	--	--	--	3,581,867
Mortgages payable	--	--	--	--	--	--	--	--	--	--	--
Current portion of capital lease obligations	838,274	--	--	838,274	--	--	--	--	--	--	838,274
Estimated amounts due to third-party reimbursement agencies	2,212,362	--	--	2,212,362	--	174,580	59,789	--	--	--	2,446,731
Due to affiliated corporations	--	16,842,950	(16,842,950)	--	--	(170,998)	432,254	--	(203,404)	(57,852)	--
Other current liabilities	99,760	--	--	99,760	36,910	642,297	129,722	--	--	--	908,689
Total Current Liabilities	14,836,178	17,048,184	(16,842,950)	15,041,412	185,820	3,661,878	1,292,281	--	(126,918)	(57,852)	19,996,621
Long-Term Liabilities											
Due to affiliate corporations	2,533,718	--	--	2,533,718	--	--	--	--	--	(2,533,718)	--
Other long-term debt	--	--	--	--	--	--	--	--	--	--	--
Self-insurance liabilities and IBNR	2,203,705	--	--	2,203,705	--	--	--	--	4,285	--	2,207,990
Other liabilities	346,001	--	--	346,001	28,701	--	--	--	--	--	374,702
Obligations under capital lease - less current portion	4,572,057	--	--	4,572,057	--	--	--	--	--	--	4,572,057
Total Long-Term Liabilities	9,655,481	--	--	9,655,481	28,701	--	--	--	4,285	(2,533,718)	7,154,749
Liabilities Subject to Compromise											
Payments due under 2010 plan of reorganization	6,461,107	--	--	6,461,107	--	224,486	--	--	--	--	6,685,593
Pre-petition trade accounts payable	2,652,945	40,768	--	2,693,713	--	263,509	183,195	--	36,248	--	3,176,665
Mortgages payable	11,987,500	--	--	11,987,500	2,940,000	14,213,697	--	--	--	--	29,141,197
Other debt	2,350,000	--	--	2,350,000	--	--	--	--	--	--	2,350,000
Total Liabilities Subject to Compromise	23,451,552	40,768	--	23,492,320	2,940,000	14,701,692	183,195	--	36,248	--	41,353,455
Total Liabilities	47,943,211	17,088,952	(16,842,950)	48,189,213	3,154,521	18,363,570	1,475,476	--	(86,385)	(2,591,570)	68,504,825

See independent auditors' report on supplementary information.

JOHNSON MEMORIAL MEDICAL CENTER

CONSOLIDATING BALANCE SHEET (CONTINUED)

SEPTEMBER 30, 2015

	Hospital	JPA	Elimination	Consolidated JMH	JMMC	EHCC	HCHS	JMS	JHC	Elimination	Total
Net Assets (Deficit)											
Unrestricted	\$ (498,600)	\$ (16,729,731)	\$ 9,215,276	\$ (8,013,055)	\$ 983,050	\$ (13,417,246)	\$ (587,391)	\$ --	\$ 192,750	\$ 2,305,897	\$ (18,535,995)
Temporarily restricted	471,516	--	--	471,516	17,635	--	64,124	--	--	--	553,275
Permanently restricted	4,269,508	--	--	4,269,508	--	--	170,235	--	--	--	4,439,743
Total Net Assets (Deficit)	<u>4,242,424</u>	<u>(16,729,731)</u>	<u>9,215,276</u>	<u>(3,272,031)</u>	<u>1,000,685</u>	<u>(13,417,246)</u>	<u>(353,032)</u>	<u>--</u>	<u>192,750</u>	<u>2,305,897</u>	<u>(13,542,977)</u>
	<u>\$ 52,185,635</u>	<u>\$ 359,221</u>	<u>\$ (7,627,674)</u>	<u>\$ 44,917,182</u>	<u>\$ 4,155,206</u>	<u>\$ 4,946,324</u>	<u>\$ 1,122,444</u>	<u>\$ --</u>	<u>\$ 106,365</u>	<u>\$ (285,673)</u>	<u>\$ 54,961,848</u>

See independent auditors' report on supplementary information.

JOHNSON MEMORIAL MEDICAL CENTER

CONSOLIDATING BALANCE SHEET

SEPTEMBER 30, 2014

	Hospital	JPA	Elimination	Consolidated JMHC	JMMC	EHCC	HCHS	JMS	JHC	Elimination	Total
Assets											
Current Assets											
Cash and cash equivalents	\$ 444,722	\$ 1,062	\$ --	\$ 445,784	\$ 765,196	\$ 300	\$ 800	\$ 1,673	\$ 255,468	\$ --	\$ 1,469,221
Patient trust funds	--	--	--	--	--	59,530	--	--	--	--	59,530
Patients accounts receivable, net of allowances for uncollectible accounts	8,595,481	180,780	--	8,776,261	--	1,598,868	1,230,587	--	52,312	--	11,658,028
Insurance and other receivables	580,488	27,430	--	607,918	3,960	414,903	51,368	--	--	--	1,078,149
Inventories	1,295,797	--	--	1,295,797	--	--	--	--	--	--	1,295,797
Prepaid expenses and other current assets	1,653,559	76,290	--	1,729,849	14,965	426,302	113,043	--	4,644	--	2,288,803
Total Current Assets	<u>12,570,047</u>	<u>285,562</u>	<u>--</u>	<u>12,855,609</u>	<u>784,121</u>	<u>2,499,903</u>	<u>1,395,798</u>	<u>1,673</u>	<u>312,424</u>	<u>--</u>	<u>17,849,528</u>
Assets Whose Use is Limited											
Beneficial interests in perpetual trusts	3,793,323	--	--	3,793,323	--	--	--	--	--	--	3,793,323
Restricted cash and board designated investments	224,048	--	--	224,048	--	--	--	--	--	--	224,048
Cash and investments restricted by donor	843,587	--	--	843,587	--	--	185,622	--	--	--	1,029,209
Total Assets Whose Use is Limited	<u>4,860,958</u>	<u>--</u>	<u>--</u>	<u>4,860,958</u>	<u>--</u>	<u>--</u>	<u>185,622</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>5,046,580</u>
Other Assets											
Property, plant and equipment, net	16,413,662	95,534	--	16,509,196	3,715,717	3,000,000	44,902	--	--	--	23,269,815
Investment in joint ventures	3,397,936	--	--	3,397,936	--	--	--	--	--	--	3,397,936
Investment deficit in affiliated corporations	--	--	--	--	(3,119,194)	--	--	--	--	3,119,194	--
Investments, other	--	--	--	--	1,100	--	--	--	--	--	1,100
Due from affiliated corporations	6,495,322	(1,687)	(6,493,635)	--	2,289,450	--	--	--	--	(2,289,450)	--
Deferred financing costs, net	165,616	--	--	165,616	--	123,047	--	--	--	--	288,663
Other noncurrent assets	1,600,194	--	--	1,600,194	--	--	10,693	--	--	--	1,610,887
Total Other Assets	<u>28,072,730</u>	<u>93,847</u>	<u>(6,493,635)</u>	<u>21,672,942</u>	<u>2,887,073</u>	<u>3,123,047</u>	<u>55,595</u>	<u>--</u>	<u>--</u>	<u>829,744</u>	<u>28,568,401</u>
	<u>\$ 45,503,735</u>	<u>\$ 379,409</u>	<u>\$ (6,493,635)</u>	<u>\$ 39,389,509</u>	<u>\$ 3,671,194</u>	<u>\$ 5,622,950</u>	<u>\$ 1,637,015</u>	<u>\$ 1,673</u>	<u>\$ 312,424</u>	<u>\$ 829,744</u>	<u>\$ 51,464,509</u>

See independent auditors' report on supplementary information.

JOHNSON MEMORIAL MEDICAL CENTER

CONSOLIDATING BALANCE SHEET (CONTINUED)

SEPTEMBER 30, 2014

	Hospital	JPA	Elimination	Consolidated JMHC	JMMC	EHCC	HCHS	JMS	JHC	Elimination	Total
Liabilities and Net Assets (Deficit)											
Current Liabilities											
Trade accounts payable and accrued expenses	\$ 5,855,188	\$ 397,162	\$ --	\$ 6,252,350	\$ 95,585	\$ 1,572,806	\$ 450,777	\$ --	\$ 37,170	\$ --	\$ 8,408,688
Accrued payroll and related costs	1,753,717	111,116	--	1,864,833	--	702,831	204,729	--	17,188	--	2,789,581
Current payments due under plan of reorganization	3,895,000	--	--	3,895,000	--	205,000	--	--	--	--	4,100,000
Patient trust funds	--	--	--	--	--	59,530	--	--	--	--	59,530
Senior debt under line of credit	1,604,830	--	--	1,604,830	--	--	--	--	--	--	1,604,830
Mortgages payable	11,987,500	--	--	11,987,500	2,940,000	14,213,697	--	--	--	--	29,141,197
Current portion of subordinated debt	107,587	--	--	107,587	18,185	--	--	--	--	--	125,772
Current portion of capital lease obligations	197,299	--	--	197,299	--	--	--	--	--	--	197,299
Estimated amounts due to third-party reimbursement agencies	2,675,513	--	--	2,675,513	--	187,353	48,748	--	--	--	2,911,614
Due to affiliated corporations	--	--	--	--	--	163,187	678,239	--	9,562	(850,988)	--
Other current liabilities	254,953	--	--	254,953	--	332,908	196,951	--	--	--	784,812
Total Current Liabilities	<u>28,331,587</u>	<u>508,278</u>	<u>--</u>	<u>28,839,865</u>	<u>3,053,770</u>	<u>17,437,312</u>	<u>1,579,444</u>	<u>--</u>	<u>63,920</u>	<u>(850,988)</u>	<u>50,123,323</u>
Long-Term Liabilities											
Due to affiliate corporations	695,633	15,640,134	(14,462,620)	1,873,147	--	--	--	--	--	(1,873,147)	--
Payments due under plan of reorganization - less current portion	2,406,796	--	--	2,406,796	--	4,650	--	--	--	--	2,411,446
Subordinated debt - less current portion	17,435	--	--	17,435	--	--	--	--	--	--	17,435
Other long-term debt	2,350,000	--	--	2,350,000	--	--	--	--	--	--	2,350,000
Self-insurance liabilities and IBNR	2,344,272	--	--	2,344,272	--	--	--	--	--	--	2,344,272
Other liabilities	346,001	--	--	346,001	53,408	--	--	--	--	1,688	401,097
Obligations under capital lease - less current portion	721,036	--	--	721,036	--	--	--	--	--	--	721,036
Total Long-Term Liabilities	<u>8,881,173</u>	<u>15,640,134</u>	<u>(14,462,620)</u>	<u>10,058,687</u>	<u>53,408</u>	<u>4,650</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(1,871,459)</u>	<u>8,245,286</u>
Total Liabilities	<u>37,212,760</u>	<u>16,148,412</u>	<u>(14,462,620)</u>	<u>38,898,552</u>	<u>3,107,178</u>	<u>17,441,962</u>	<u>1,579,444</u>	<u>--</u>	<u>63,920</u>	<u>(2,722,447)</u>	<u>58,368,609</u>

See independent auditors' report on supplementary information.

JOHNSON MEMORIAL MEDICAL CENTER

CONSOLIDATING BALANCE SHEET (CONTINUED)

SEPTEMBER 30, 2014

	Hospital	JPA	Elimination	Consolidated JMHC	JMMC	EHCC	HCHS	JMS	JHC	Elimination	Total
Net Assets (Deficit)											
Unrestricted	\$ 3,321,184	\$(15,769,003)	\$ 7,968,985	\$ (4,478,834)	\$ 543,215	\$(11,819,012)	\$ (169,577)	\$ 1,673	\$ 248,504	\$ 3,552,191	\$(12,121,840)
Temporarily restricted	332,881	--	--	332,881	20,801	--	56,913	--	--	--	410,595
Permanently restricted	4,636,910	--	--	4,636,910	--	--	170,235	--	--	--	4,807,145
Total Net Assets (Deficit)	<u>8,290,975</u>	<u>(15,769,003)</u>	<u>7,968,985</u>	<u>490,957</u>	<u>564,016</u>	<u>(11,819,012)</u>	<u>57,571</u>	<u>1,673</u>	<u>248,504</u>	<u>3,552,191</u>	<u>(6,904,100)</u>
	<u>\$ 45,503,735</u>	<u>\$ 379,409</u>	<u>\$ (6,493,635)</u>	<u>\$ 39,389,509</u>	<u>\$ 3,671,194</u>	<u>\$ 5,622,950</u>	<u>\$ 1,637,015</u>	<u>\$ 1,673</u>	<u>\$ 312,424</u>	<u>\$ 829,744</u>	<u>\$ 51,464,509</u>

See independent auditors' report on supplementary information.

JOHNSON MEMORIAL MEDICAL CENTER

CONSOLIDATING STATEMENT OF OPERATIONS

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Hospital	JPA	Elimination	Consolidated JMH	JMMC	EHCC	HCHS	JMS	JHC	Elimination	Total
Operating Revenue											
Net patient service revenue	\$ 68,501,734	\$ 2,294,050	\$ --	\$ 70,795,784	\$ --	\$ 16,405,205	\$ 5,087,397	\$ --	\$ 501,136	\$ (86,153)	\$ 92,703,369
Provision (recoveries) for bad debts	3,114,000	198,989	--	3,312,989	--	(25,876)	183,022	--	--	--	3,470,135
Net patient service revenue less provision for bad debts	65,387,734	2,095,061	--	67,482,795	--	16,431,081	4,904,375	--	501,136	(86,153)	89,233,234
Grant and other income	590,810	--	--	590,810	--	--	--	--	--	--	590,810
Other revenue	--	--	--	--	1,146,668	110,810	78,286	--	--	(736,152)	599,612
Net assets released from restriction	23,905	--	--	23,905	--	--	12,688	--	--	--	36,593
Total Operating Revenue	66,002,449	2,095,061	--	68,097,510	1,146,668	16,541,891	4,995,349	--	501,136	(822,305)	90,460,249
Expenses											
Salaries	24,833,219	1,411,902	585,799	26,830,920	--	10,324,426	3,041,942	--	303,364	--	40,500,652
Employee benefits	6,111,895	207,105	89,280	6,408,280	--	2,826,424	795,063	--	35,110	--	10,064,877
Professional fees	5,672,435	421,400	--	6,093,835	27,665	309,902	54,036	--	10,906	--	6,496,344
Depreciation and amortization	1,804,654	20,820	--	1,825,474	277,727	296,504	19,439	--	--	--	2,419,144
Outsourced staffing and contracted services	6,716,769	501,492	(675,079)	6,543,182	13,810	369,950	340,968	--	72,695	--	7,340,605
Supplies, drugs and patient care	10,665,670	41,809	--	10,707,479	--	1,015,507	713,839	--	49,140	--	12,485,965
Leases and service contracts	1,407,805	4,323	--	1,412,128	--	26,526	13,034	--	5,050	--	1,456,738
Occupancy costs	3,130,604	122,809	--	3,253,413	270,846	468,006	147,499	--	42,960	(736,152)	3,446,572
Insurance	1,234,038	188,417	--	1,422,455	7,879	99,830	41,898	--	12,895	--	1,584,957
Provider tax	--	--	--	--	--	896,980	--	--	--	--	896,980
Other expenses	5,720,960	124,247	--	5,845,207	58,954	738,866	234,077	500	21,610	(86,153)	6,813,061
Interest	975,626	--	--	975,626	49,947	477,494	--	--	--	--	1,503,067
Total Expenses	68,273,675	3,044,324	--	71,317,999	706,828	17,850,415	5,401,795	500	553,730	(822,305)	95,008,962
Loss from Operations Before											
Impairment Loss on Long-Lived Assets	(2,271,226)	(949,263)	--	(3,220,489)	439,840	(1,308,524)	(406,446)	(500)	(52,594)	--	(4,548,713)
Impairment Loss on Long-Lived Assets	--	--	--	--	--	--	--	--	--	--	--
Income (Loss) from Operations	(2,271,226)	(949,263)	--	(3,220,489)	439,840	(1,308,524)	(406,446)	(500)	(52,594)	--	(4,548,713)

See independent auditors' report on supplementary information.

JOHNSON MEMORIAL MEDICAL CENTER
CONSOLIDATING STATEMENT OF OPERATIONS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Hospital	JPA	Elimination	Consolidated JMHC	JMMC	EHCC	HCHS	JMS	JHC	Elimination	Total
Nonoperating Revenue (Loss)											
Investment income	\$ 159,418	\$ --	\$ --	\$ 159,418	\$ --	\$ --	\$ 99	\$ --	\$ --	\$ --	\$ 159,517
Loss on sale of equipment	--	--	--	--	--	--	--	--	--	--	--
Equity earnings in joint ventures	69,138	--	--	69,138	--	--	--	--	--	--	69,138
	<u>228,556</u>	<u>--</u>	<u>--</u>	<u>228,556</u>	<u>--</u>	<u>--</u>	<u>99</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>228,655</u>
Income (Loss) Before Reorganization Items	(2,042,670)	(949,263)	--	(2,991,933)	439,840	(1,308,524)	(406,347)	(500)	(52,594)	--	(4,320,058)
Reorganization Items											
Professional fees	1,966,388	11,467	--	1,977,855	--	289,710	11,467	--	3,667	--	2,282,699
Excess (Deficiency) of Revenues over Expenses	<u>\$ (4,009,058)</u>	<u>\$ (960,730)</u>	<u>\$ --</u>	<u>\$ (4,969,788)</u>	<u>\$ 439,840</u>	<u>\$ (1,598,234)</u>	<u>\$ (417,814)</u>	<u>\$ (500)</u>	<u>\$ (56,261)</u>	<u>\$ --</u>	<u>\$ (6,602,757)</u>

See independent auditors' report on supplementary information.

JOHNSON MEMORIAL MEDICAL CENTER

CONSOLIDATING STATEMENT OF OPERATIONS

FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Hospital	JPA	Elimination	Consolidated JMHC	JMMC	EHCC	HCHS	JMS	JHC	Elimination	Total
Operating Revenue											
Net patient service revenue	\$ 70,768,074	\$ 3,090,178	\$ --	\$ 73,858,252	\$ --	\$ 16,587,545	\$ 5,638,621	\$ --	\$ 529,942	\$ --	\$ 96,614,360
Provision for bad debts	4,119,249	192,430	--	4,311,679	--	107,536	113,657	--	4,306	--	4,537,178
Net patient service revenue less provision for bad debts	66,648,825	2,897,748	--	69,546,573	--	16,480,009	5,524,964	--	525,636	--	92,077,182
Grant and other income	414,887	404,334	(366,332)	452,889	--	--	48,441	--	--	--	501,330
Other revenue	--	--	--	--	1,210,840	132,823	52,876	--	--	(845,725)	550,814
Net assets released from restriction	235,925	--	--	235,925	--	--	33,833	--	--	--	269,758
Total Operating Revenue	<u>67,299,637</u>	<u>3,302,082</u>	<u>(366,332)</u>	<u>70,235,387</u>	<u>1,210,840</u>	<u>16,612,832</u>	<u>5,660,114</u>	<u>--</u>	<u>525,636</u>	<u>(845,725)</u>	<u>93,399,084</u>
Expenses											
Salaries	25,111,602	1,991,064	649,653	27,752,319	--	9,138,995	3,256,456	--	287,452	--	40,435,222
Employee benefits	6,443,788	252,227	130,118	6,826,133	--	2,812,886	863,794	--	38,879	--	10,541,692
Professional fees	4,471,642	1,335,480	(47,432)	5,759,690	28,137	281,426	51,021	--	45,727	--	6,166,001
Depreciation and amortization	2,314,387	26,803	--	2,341,190	288,025	585,708	11,652	--	--	--	3,226,575
Outsourced staffing and contracted services	5,179,000	829,439	(1,091,126)	4,917,313	13,579	551,550	356,751	--	49,399	--	5,888,592
Supplies, drugs and patient care	10,615,125	95,821	--	10,710,946	--	1,152,088	913,521	--	46,062	--	12,822,617
Leases and service contracts	1,568,797	20,812	(7,545)	1,582,064	--	27,971	12,830	--	1,500	--	1,624,365
Occupancy costs	3,157,963	199,222	--	3,357,185	267,227	549,739	140,762	--	42,960	(845,725)	3,512,148
Insurance	1,285,657	166,507	--	1,452,164	7,980	133,428	63,427	--	12,983	--	1,669,982
Provider tax	--	--	--	--	--	859,088	--	--	--	--	859,088
Other expenses	4,854,260	127,462	--	4,981,722	42,293	695,512	225,835	250	18,623	--	5,964,235
Interest	1,454,502	--	--	1,454,502	48,784	482,053	--	--	--	--	1,985,339
Total Expenses	<u>66,456,723</u>	<u>5,044,837</u>	<u>(366,332)</u>	<u>71,135,228</u>	<u>696,025</u>	<u>17,270,444</u>	<u>5,896,049</u>	<u>250</u>	<u>543,585</u>	<u>(845,725)</u>	<u>94,695,856</u>
Loss from Operations Before											
Impairment Loss on Long-Lived Assets	842,914	(1,742,755)	--	(899,841)	514,815	(657,612)	(235,935)	(250)	(17,949)	--	(1,296,772)
Impairment Loss on Long-Lived Assets	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(2,452,326)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(2,452,326)</u>
Income (Loss) from Operations	<u>842,914</u>	<u>(1,742,755)</u>	<u>--</u>	<u>(899,841)</u>	<u>514,815</u>	<u>(3,109,938)</u>	<u>(235,935)</u>	<u>(250)</u>	<u>(17,949)</u>	<u>--</u>	<u>(3,749,098)</u>

See independent auditors' report on supplementary information.

JOHNSON MEMORIAL MEDICAL CENTER
CONSOLIDATING STATEMENT OF OPERATIONS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Hospital	JPA	Elimination	Consolidated JMH	JMMC	EHCC	HCHS	JMS	JHC	Elimination	Total
Nonoperating Revenue (Loss)											
Investment income	\$ 165,497	\$ --	\$ --	\$ 165,497	\$ --	\$ --	\$ 678	\$ --	\$ --	\$ --	\$ 166,175
Loss on sale of equipment	(13,263)	--	--	(13,263)	--	--	--	--	--	--	(13,263)
Equity earnings in joint ventures	232,022	--	--	232,022	--	--	--	--	--	--	232,022
	<u>384,256</u>	<u>--</u>	<u>--</u>	<u>384,256</u>	<u>--</u>	<u>--</u>	<u>678</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>384,934</u>
Excess (Deficiency) of Revenues over Expenses	<u>\$ 1,227,170</u>	<u>\$ (1,742,755)</u>	<u>\$ --</u>	<u>\$ (515,585)</u>	<u>\$ 514,815</u>	<u>\$ (3,109,938)</u>	<u>\$ (235,257)</u>	<u>\$ (250)</u>	<u>\$ (17,949)</u>	<u>\$ --</u>	<u>\$ (3,364,164)</u>

See independent auditors' report on supplementary information.

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

For calendar year 2014 or other tax year beginning OCT 1, 2014, and ending SEP 30, 2015

2014

Department of the Treasury
Internal Revenue Service

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

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

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

<p>A <input type="checkbox"/> Check box if address changed</p> <p>B Exempt under section <input checked="" type="checkbox"/> 501(C)(3) <input type="checkbox"/> 408(e) <input type="checkbox"/> 220(e) <input type="checkbox"/> 408A <input type="checkbox"/> 530(a) <input type="checkbox"/> 529(a)</p>	<p>Print or Type</p>	<p>Name of organization (<input type="checkbox"/> Check box if name changed and see instructions.) JOHNSON MEMORIAL HOSPITAL INC</p> <p>Number, street, and room or suite no. If a P.O. box, see instructions. 201 CHESTNUT HILL ROAD</p> <p>City or town, state or province, country, and ZIP or foreign postal code STAFFORD SPRINGS, CT 06076</p>	<p>D Employer identification number (Employees' trust, see instructions.) 06-0646696</p> <p>E Unrelated business activity codes (See instructions.) 621500</p>
--	------------------------------	---	--

C Book value of all assets at end of year: **52,185,633.**

F Group exemption number (See instructions.)

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

H Describe the organization's primary unrelated business activity. ▶ **MEDICAL LABORATORY**

I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? ▶ Yes No
 If "Yes," enter the name and identifying number of the parent corporation. ▶ **SEE STATEMENT 1**

J The books are in care of ▶ **JANE MOONAN** Telephone number ▶ **(860) 684-8136**

Part I Unrelated Trade or Business Income		(A) Income	(B) Expenses	(C) Net
1 a	Gross receipts or sales <u>994,500.</u>			
b	Less returns and allowances <u>634,695.</u> c Balance ▶	1c <u>359,805.</u>		
2	Cost of goods sold (Schedule A, line 7)	2 <u>428,080.</u>		
3	Gross profit. Subtract line 2 from line 1c	3 <u>-68,275.</u>		<u>-68,275.</u>
4 a	Capital gain net income (attach Schedule D)	4a		
b	Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)	4b		
c	Capital loss deduction for trusts	4c		
5	Income (loss) from partnerships and S corporations (attach statement)	5		
6	Rent income (Schedule C)	6		
7	Unrelated debt-financed income (Schedule E)	7		
8	Interest, annuities, royalties, and rents from controlled organizations (Sch. F)...	8		
9	Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)	9		
10	Exploited exempt activity income (Schedule I)	10		
11	Advertising income (Schedule J)	11		
12	Other income (See instructions; attach schedule)	12		
13	Total. Combine lines 3 through 12	13 <u>-68,275.</u>		<u>-68,275.</u>

Part II Deductions Not Taken Elsewhere (See instructions for limitations on deductions.) (Except for contributions, deductions must be directly connected with the unrelated business income.)			
14	Compensation of officers, directors, and trustees (Schedule K)		14
15	Salaries and wages		15
16	Repairs and maintenance		16
17	Bad debts		17 <u>16,486.</u>
18	Interest (attach schedule)		18
19	Taxes and licenses		19
20	Charitable contributions (See instructions for limitation rules)		20
21	Depreciation (attach Form 4562)	21	
22	Less depreciation claimed on Schedule A and elsewhere on return	22a	22b
23	Depletion		23
24	Contributions to deferred compensation plans		24
25	Employee benefit programs		25
26	Excess exempt expenses (Schedule I)		26
27	Excess readership costs (Schedule J)		27
28	Other deductions (attach schedule)		28
29	Total deductions. Add lines 14 through 28		29 <u>16,486.</u>
30	Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13		30 <u>-84,761.</u>
31	Net operating loss deduction (limited to the amount on line 30) SEE STATEMENT 2		31
32	Unrelated business taxable income before specific deduction. Subtract line 31 from line 30		32 <u>-84,761.</u>
33	Specific deduction (Generally \$1,000, but see line 33 instructions for exceptions)		33 <u>1,000.</u>
34	Unrelated business taxable income. Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32		34 <u>-84,761.</u>

Part III Tax Computation

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

Part IV Tax and Payments

40a Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116) 40b Other credits (see instructions) 40c General business credit. Attach Form 3800 40d Credit for prior year minimum tax (attach Form 8801 or 8827) 40e Total credits. Add lines 40a through 40d 41 Subtract line 40e from line 39 42 Other taxes. Check if from: Form 4255 Form 8611 Form 8697 Form 8866 Other (attach schedule) 43 Total tax. Add lines 41 and 42 44a Payments: A 2013 overpayment credited to 2014 44b 2014 estimated tax payments 44c Tax deposited with Form 8868 44d Foreign organizations: Tax paid or withheld at source (see instructions) 44e Backup withholding (see instructions) 44f Credit for small employer health insurance premiums (Attach Form 8941) 44g Other credits and payments: Form 2439 Form 4136 Other Total 45 Total payments. Add lines 44a through 44g 46 Estimated tax penalty (see instructions). Check if Form 2220 is attached 47 Tax due. If line 45 is less than the total of lines 43 and 46, enter amount owed 48 Overpayment. If line 45 is larger than the total of lines 43 and 46, enter amount overpaid 49 Enter the amount of line 48 you want: Credited to 2015 estimated tax Refunded

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

1 At any time during the 2014 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If YES, the organization may have to file Form FinCEN Form 114, Report of Foreign Bank and Financial Accounts. If YES, enter the name of the foreign country here 2 During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If YES, see instructions for other forms the organization may have to file. 3 Enter the amount of tax-exempt interest received or accrued during the tax year

Schedule A - Cost of Goods Sold. Enter method of inventory valuation N/A

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

Sign Here

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

Signature of officer: [Signature] Date: [Date] Title: PRESIDENT May the IRS discuss this return with the preparer shown below (see instructions)? [X] Yes [] No

Paid Preparer Use Only

Print/Type preparer's name: DOUGLAS FARRINGTON Preparer's signature: [Signature] Date: 8/12/16 Check self-employed: [] PTIN: P00370668 Firm's name: MARCUM LLP Firm's EIN: 11-1986323 Firm's address: CITY PLACE II 185 ASYLUM STREET HARTFORD, CT 06103 Phone no.: 860-760-0600

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

1. Description of property

(1)
(2)
(3)
(4)

2. Rent received or accrued

(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
(1)		
(2)		
(3)		
(4)		
Total 0.	Total 0.	

(c) Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) **0.** (b) Total deductions. Enter here and on page 1, Part I, line 6, column (B) **0.**

Schedule E - Unrelated Debt-Financed Income (see instructions)

1. Description of debt-financed property	2. Gross income from or allocable to debt-financed property	3. Deductions directly connected with or allocable to debt-financed property	
		(a) Straight line depreciation (attach schedule)	(b) Other deductions (attach schedule)
(1)			
(2)			
(3)			
(4)			

4. Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	5. Average adjusted basis of or allocable to debt-financed property (attach schedule)	6. Column 4 divided by column 5	7. Gross income reportable (column 2 x column 6)	8. Allocable deductions (column 6 x total of columns 3(a) and 3(b))
(1)		%		
(2)		%		
(3)		%		
(4)		%		

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

Total dividends-received deductions included in column 8 **0.**

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

1. Name of controlled organization	2. Employer identification number	Exempt Controlled Organizations			
		3. Net unrelated income (loss) (see instructions)	4. Total of specified payments made	5. Part of column 4 that is included in the controlling organization's gross income	6. Deductions directly connected with income in column 5
(1)					
(2)					
(3)					
(4)					

Nonexempt Controlled Organizations

7. Taxable Income	8. Net unrelated income (loss) (see instructions)	9. Total of specified payments made	10. Part of column 9 that is included in the controlling organization's gross income	11. Deductions directly connected with income in column 10
(1)				
(2)				
(3)				
(4)				

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

Totals **0.**

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

(see instructions)

1. Description of income	2. Amount of income	3. Deductions directly connected (attach schedule)	4. Set-asides (attach schedule)	5. Total deductions and set-asides (col. 3 plus col. 4)
(1)				
(2)				
(3)				
(4)				
Totals		Enter here and on page 1, Part I, line 9, column (A). 0.		Enter here and on page 1, Part I, line 9, column (B). 0.

Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income

(see instructions)

1. Description of exploited activity	2. Gross unrelated business income from trade or business	3. Expenses directly connected with production of unrelated business income	4. Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute cols. 5 through 7.	5. Gross income from activity that is not unrelated business income	6. Expenses attributable to column 5	7. Excess exempt expenses (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals		Enter here and on page 1, Part I, line 10, col. (A). 0.	Enter here and on page 1, Part I, line 10, col. (B). 0.			Enter here and on page 1, Part II, line 26. 0.

Schedule J - Advertising Income (see instructions)

Part I Income From Periodicals Reported on a Consolidated Basis

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals (carry to Part II, line (5))		0.	0.			0.

Part II Income From Periodicals Reported on a Separate Basis (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals from Part I		0.	0.			0.
Totals, Part II (lines 1-5)		Enter here and on page 1, Part I, line 11, col. (A). 0.	Enter here and on page 1, Part I, line 11, col. (B). 0.			Enter here and on page 1, Part II, line 27. 0.

Schedule K - Compensation of Officers, Directors, and Trustees (see instructions)

1. Name	2. Title	3. Percent of time devoted to business	4. Compensation attributable to unrelated business
(1)			%
(2)			%
(3)			%
(4)			%
Total. Enter here and on page 1, Part II, line 14			0.

FORM 990-T PARENT CORPORATION'S NAME AND IDENTIFYING NUMBER STATEMENT 1

CORPORATION'S NAME	IDENTIFYING NO
JOHNSON MEMORIAL MEDICAL CENTER	22-2541974

FORM 990-T NET OPERATING LOSS DEDUCTION STATEMENT 2

TAX YEAR	LOSS SUSTAINED	LOSS PREVIOUSLY APPLIED	LOSS REMAINING	AVAILABLE THIS YEAR
09/30/13	65,578.	0.	65,578.	65,578.
09/30/14	86,477.	0.	86,477.	86,477.
NOL CARRYOVER AVAILABLE THIS YEAR			152,055.	152,055.

FORM 990-T COST OF GOODS SOLD - OTHER COSTS STATEMENT 3

DESCRIPTION	AMOUNT
OTHER COSTS	428,080.
TOTAL TO FORM 990-T, SCHEDULE A, LINE 4B	428,080.

Form CT-990T
Connecticut Unrelated Business Income Tax Return

2014

Complete this return in blue or black ink only.
 Enter Income Year Beginning **OCTOBER 1, 2014**, and Ending **SEPTEMBER 30, 2015**

Taxpayer (Please type or print)	Organization name (please type or print) JOHNSON MEMORIAL HOSPITAL INC	CT Tax Registration Number
	Address Number and street PO Box 201 CHESTNUT HILL ROAD	DRS use only - - 20
	City or town State ZIP code STAFFORD SPRINGS, CT 06076	Federal Employer ID Number (FEIN) 06-0646696

Check and Complete All Applicable Boxes If the organization is annualizing its income check here

Change of: Mailing address Closing month (Attach explanation.) **Return status:** Amended return Initial return Final return

If final return: Dissolved Withdrawn Merged/reorganized: Enter survivor's CT Tax Reg. Number. _____

Type of organization: Corporation Domestic trust Foreign trust Other: Explain _____

1. Date unrelated trade or business began in Connecticut: _____

2. Nature of unrelated trade or business income activity: **MEDICAL LABORATORY**

3. **Corporation only:** Enter state of incorporation: _____ Date of organization: _____

Date qualified in Connecticut if not incorporated in Connecticut: _____

- Attach a Complete Copy of Form 990-T Including all Schedules as Filed With the Internal Revenue Service -

Computation of Income			
1. Federal unrelated business taxable income from 2014 federal Form 990-T, Part II, Line 34	1	-84,761	00
2. Federal net operating loss deduction from 2014 federal Form 990-T, Part II, Line 31	2		00
3. Federal deduction for Connecticut tax on unrelated business taxable income	3		00
4. Total: Add Lines 1, 2, and 3	4	-84,761	00
5. Refund or credit for overpayment of Connecticut tax included in federal unrelated business taxable income	5		00
6. Unrelated business taxable income: Subtract Line 5 from Line 4	6	-84,761	00

Computation of Tax			
1. Unrelated business taxable income from Line 6 above. If 100% Connecticut , enter also on Line 3	1	-84,761	00
2. Apportionment fraction from Schedule A, Line 5 on page 2. Carry to six places	2		
3. Connecticut unrelated business taxable income: Line 1 or Line 1 multiplied by Line 2	3	-84,761	00
4. Operating loss carryover from Schedule B, Line 15 on page 2	4		00
5. Income subject to tax: Subtract Line 4 from Line 3	5	-84,761	00
6. Tax: Multiply Line 5 by 7.5% (.075)	6		00

Computation of Amount Payable			
1. Tax: Include surtax if applicable. See instructions	1		00
2. Reserved for future use	2		
3. Total Tax: Enter the amount from Line 1	3		00
4. Tax credits from Form CT-1120K, Part III, Line 9. Do not exceed amount on Line 1	4		00
5. Balance of tax payable: Subtract Line 4 from Line 3. If zero or less, enter "0."	5	0	00
6a. Paid with application for extension from Form CT-990T EXT	6a		00
6b. Paid with estimates from Forms CT-990T ESA, ESB, ESC, & ESD	6b		00
6c. Overpayment from prior year	6c		00
6. Tax Payments: Enter the total of Lines 6a, 6b, and 6c	6		00
7. Balance of tax due (overpaid): Subtract Line 6 from Line 5	7	0	00
8. Add Penalty (8a) Interest (8b) CT-1120I Interest (8c)	8		00
9. Amount to be credited to 2015 estimated tax (9a) Refunded (9b)	9		00

For faster refund, use Direct Deposit by completing Lines 9c, 9d, and 9e. 9c. Checking Savings

9d. Routing number _____ 9e. Account number _____

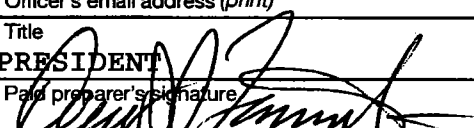
9f. Will this refund go to a bank account outside the U.S.? Yes No 9g. Bank name _____

10. **Balance due with this return:** Add Line 7 and Line 8 10 0 00

Visit the DRS website at www.ct.gov/DRS Mail to: Dept. of Revenue Services, State of Connecticut, PO Box 5014, Hartford CT 06102-5014 Make check payable to: Commissioner of Revenue Services

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

Declaration: I declare under penalty of law that I have examined this return (including any accompanying schedules and statements) and, to the best of my knowledge and belief, it is true, complete, and correct. I understand the penalty for willfully delivering a false return or document to the Department of Revenue Services (DRS) is a fine of not more than \$5,000, imprisonment for not more than five years, or both. The declaration of a paid preparer other than the taxpayer is based on all information of which the preparer has any knowledge.

Sign Here	Name of officer or fiduciary (print) STUART E ROSENBERG	Signature of officer or fiduciary	Date
	Officer's email address (print)		May DRS contact the preparer shown below about this return? See instructions. <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Keep a copy of this return for your records.	Title PRESIDENT	Telephone number (860) 684-4251	Preparer's SSN or PTIN P00370668
	Paid preparer's signature 	Date 8/12/16	Preparer's SSN or PTIN P00370668
	Firm's name and address MARCUM LLP CITY PLACE II 185 ASYLUM STREET HARTFORD, CT 06103	FEIN 11-1986323	Telephone number 860-760-0600

Schedule A - Unrelated Business Income Apportionment: See instructions.

Complete this schedule if the taxpayer's unrelated trade or business is conducted at a regular place of business outside Connecticut.

Factor	Item	Column A Connecticut	Column B Everywhere	Column C Divide Column A by Column B. Carry to six places
Property (Average value)	1. (a) Inventories	00	00	
	(b) Tangible property	00	00	
	(c) Real property	00	00	
	(d) Capitalized rent	00	00	
	1. Total	00	00	
Receipts	2. (a) Sales of tangibles	00	00	
	(b) Services	00	00	
	(c) Rentals	00	00	
	(d) Other	00	00	
	2. Total	00	00	
Wages, salaries, and other compensation		00	00	
	3. Total	00	00	
	4. Total: Add Lines 1, 2, and 3 in Column C.			
	5. Apportionment fraction: Divide Line 4 by number of factors used. Enter here; on <i>Schedule C, Line 4; and also on page 1, Computation of Tax, Line 2.</i>			

Schedule B - Connecticut Apportioned Operating Loss Carryover Applied to 2014

1. 2000 Connecticut net operating loss available for use in 2014	1.	00
2. 2001 Connecticut net operating loss available for use in 2014	2.	00
3. 2002 Connecticut net operating loss available for use in 2014	3.	00
4. 2003 Connecticut net operating loss available for use in 2014	4.	00
5. 2004 Connecticut net operating loss available for use in 2014	5.	00
6. 2005 Connecticut net operating loss available for use in 2014	6.	00
7. 2006 Connecticut net operating loss available for use in 2014	7.	00
8. 2007 Connecticut net operating loss available for use in 2014	8.	00
9. 2008 Connecticut net operating loss available for use in 2014	9.	00
10. 2009 Connecticut net operating loss available for use in 2014	10.	00
11. 2010 Connecticut net operating loss available for use in 2014	11.	00
12. 2011 Connecticut net operating loss available for use in 2014	12.	00
13. 2012 Connecticut net operating loss available for use in 2014	13.	00
14. 2013 Connecticut net operating loss available for use in 2014	14.	00
15. Total: Add Lines 1 through 14. Enter here and on <i>Computation of Tax, Line 4.</i>	15.	00

Schedule C - Computation of Net Operating Loss Carryforward

1. Enter amount from <i>Computation of Income, Line 6, if less than zero</i>	1.	-84,761	00
2. Add back specific deduction from 2014 federal Form 990-T, Part II, Line 33	2.	1,000	00
3. Subtotal: Add Line 1 and Line 2	3.	-83,761	00
4. Apportionment fraction from <i>Schedule A, Line 5</i>	4.		
5. 2014 Connecticut net operating loss available for carryforward: Line 3 or Line 3 multiplied by Line 4	5.	-83,761	00

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

For calendar year 2014 or other tax year beginning OCT 1, 2014, and ending SEP 30, 2015

2014

Department of the Treasury
Internal Revenue Service

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

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

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

<p>A <input type="checkbox"/> Check box if address changed</p> <p>B Exempt under section <input checked="" type="checkbox"/> 501(C)(3) <input type="checkbox"/> 408(e) <input type="checkbox"/> 220(e) <input type="checkbox"/> 408A <input type="checkbox"/> 530(a) <input type="checkbox"/> 529(a)</p>	<p>Print or Type</p>	<p>Name of organization (<input type="checkbox"/> Check box if name changed and see instructions.) JOHNSON MEMORIAL HOSPITAL INC</p> <p>Number, street, and room or suite no. If a P.O. box, see instructions. 201 CHESTNUT HILL ROAD</p> <p>City or town, state or province, country, and ZIP or foreign postal code STAFFORD SPRINGS, CT 06076</p>	<p>D Employer identification number (Employees' trust, see instructions.) 06-0646696</p> <p>E Unrelated business activity codes (See instructions.) 621500</p>
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C Book value of all assets at end of year: **52,185,633.**

F Group exemption number (See instructions.)

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

H Describe the organization's primary unrelated business activity. ▶ **MEDICAL LABORATORY**

I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? ▶ Yes No
 If "Yes," enter the name and identifying number of the parent corporation. ▶ **SEE STATEMENT 1**

J The books are in care of ▶ **JANE MOONAN** Telephone number ▶ **(860) 684-8136**

Part I Unrelated Trade or Business Income	(A) Income	(B) Expenses	(C) Net
1a Gross receipts or sales 994,500.			
b Less returns and allowances 634,695. c Balance ▶	1c 359,805.		
2 Cost of goods sold (Schedule A, line 7)	2 428,080.		
3 Gross profit. Subtract line 2 from line 1c	3 -68,275.		-68,275.
4a Capital gain net income (attach Schedule D)	4a		
b Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)	4b		
c Capital loss deduction for trusts	4c		
5 Income (loss) from partnerships and S corporations (attach statement)	5		
6 Rent income (Schedule C)	6		
7 Unrelated debt-financed income (Schedule E)	7		
8 Interest, annuities, royalties, and rents from controlled organizations (Sch. F)...	8		
9 Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)	9		
10 Exploited exempt activity income (Schedule I)	10		
11 Advertising income (Schedule J)	11		
12 Other income (See instructions; attach schedule)	12		
13 Total. Combine lines 3 through 12	13 -68,275.		-68,275.

Part II Deductions Not Taken Elsewhere (See instructions for limitations on deductions.)
 (Except for contributions, deductions must be directly connected with the unrelated business income.)

14 Compensation of officers, directors, and trustees (Schedule K)	14	
15 Salaries and wages	15	
16 Repairs and maintenance	16	
17 Bad debts	17	16,486.
18 Interest (attach schedule)	18	
19 Taxes and licenses	19	
20 Charitable contributions (See instructions for limitation rules)	20	
21 Depreciation (attach Form 4562)	21	
22 Less depreciation claimed on Schedule A and elsewhere on return	22a	22b
23 Depletion	23	
24 Contributions to deferred compensation plans	24	
25 Employee benefit programs	25	
26 Excess exempt expenses (Schedule I)	26	
27 Excess readership costs (Schedule J)	27	
28 Other deductions (attach schedule)	28	
29 Total deductions. Add lines 14 through 28	29	16,486.
30 Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13	30	-84,761.
31 Net operating loss deduction (limited to the amount on line 30) SEE STATEMENT 2	31	
32 Unrelated business taxable income before specific deduction. Subtract line 31 from line 30	32	-84,761.
33 Specific deduction (Generally \$1,000, but see line 33 instructions for exceptions)	33	1,000.
34 Unrelated business taxable income. Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32	34	-84,761.

Part III Tax Computation

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

Part IV Tax and Payments

40a Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116). 40b Other credits (see instructions). 40c General business credit. Attach Form 3800. 40d Credit for prior year minimum tax (attach Form 8801 or 8827). 40e Total credits. Add lines 40a through 40d. 41 Subtract line 40e from line 39. 42 Other taxes. Check if from: Form 4255, Form 8611, Form 8697, Form 8866, Other (attach schedule). 43 Total tax. Add lines 41 and 42. 44a Payments: A 2013 overpayment credited to 2014. 44b 2014 estimated tax payments. 44c Tax deposited with Form 8868. 44d Foreign organizations: Tax paid or withheld at source (see instructions). 44e Backup withholding (see instructions). 44f Credit for small employer health insurance premiums (Attach Form 8941). 44g Other credits and payments: Form 2439, Form 4136, Other. Total. 45 Total payments. Add lines 44a through 44g. 46 Estimated tax penalty (see instructions). Check if Form 2220 is attached. 47 Tax due. If line 45 is less than the total of lines 43 and 46, enter amount owed. 48 Overpayment. If line 45 is larger than the total of lines 43 and 46, enter amount overpaid. 49 Enter the amount of line 48 you want: Credited to 2015 estimated tax, Refunded.

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

1 At any time during the 2014 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If YES, the organization may have to file Form FinCEN Form 114, Report of Foreign Bank and Financial Accounts. If YES, enter the name of the foreign country here. 2 During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If YES, see instructions for other forms the organization may have to file. 3 Enter the amount of tax-exempt interest received or accrued during the tax year.

Schedule A - Cost of Goods Sold. Enter method of inventory valuation N/A

1 Inventory at beginning of year 1 0. 2 Purchases 2. 3 Cost of labor 3. 4a Additional section 263A costs (att. schedule) 4a. b Other costs (attach schedule) 4b 428,080. 5 Total. Add lines 1 through 4b 5 428,080. 6 Inventory at end of year 6 0. 7 Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2 7 428,080. 8 Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization? Yes No

Sign Here Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge. Signature of officer: [Signature] Date: [Date] Title: PRESIDENT. May the IRS discuss this return with the preparer shown below (see instructions)? [X] Yes [] No. Paid Preparer Use Only Print/Type preparer's name: DOUGLAS FARRINGTON Preparer's signature: [Signature] Date: 8/12/16 Check self-employed: [] PTIN: P00370668 Firm's name: MARCUM LLP Firm's EIN: 11-1986323 Firm's address: CITY PLACE II 185 ASYLUM STREET HARTFORD, CT 06103 Phone no.: 860-760-0600

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

1. Description of property

(1)		
(2)		
(3)		
(4)		

2. Rent received or accrued		3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	
(1)		
(2)		
(3)		
(4)		
Total	0.	Total 0.

(c) Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) **0.**

(b) Total deductions. Enter here and on page 1, Part I, line 6, column (B) **0.**

Schedule E - Unrelated Debt-Financed Income (see instructions)

1. Description of debt-financed property	2. Gross income from or allocable to debt-financed property	3. Deductions directly connected with or allocable to debt-financed property	
		(a) Straight line depreciation (attach schedule)	(b) Other deductions (attach schedule)
(1)			
(2)			
(3)			
(4)			

4. Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	5. Average adjusted basis of or allocable to debt-financed property (attach schedule)	6. Column 4 divided by column 5	7. Gross income reportable (column 2 x column 6)	8. Allocable deductions (column 6 x total of columns 3(a) and 3(b))
(1)		%		
(2)		%		
(3)		%		
(4)		%		

Totals **0.** **0.**

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

Total dividends-received deductions included in column 8 **0.**

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

1. Name of controlled organization	2. Employer identification number	Exempt Controlled Organizations			
		3. Net unrelated income (loss) (see instructions)	4. Total of specified payments made	5. Part of column 4 that is included in the controlling organization's gross income	6. Deductions directly connected with income in column 5
(1)					
(2)					
(3)					
(4)					

Nonexempt Controlled Organizations

7. Taxable income	8. Net unrelated income (loss) (see instructions)	9. Total of specified payments made	10. Part of column 9 that is included in the controlling organization's gross income	11. Deductions directly connected with income in column 10
(1)				
(2)				
(3)				
(4)				

Add columns 5 and 10. Enter here and on page 1, Part I, line 8, column (A). **0.**

Add columns 6 and 11. Enter here and on page 1, Part I, line 8, column (B). **0.**

Totals **0.** **0.**

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

1. Description of income	2. Amount of income	3. Deductions directly connected (attach schedule)	4. Set-asides (attach schedule)	5. Total deductions and set-asides (col. 3 plus col. 4)
(1)				
(2)				
(3)				
(4)				
Totals		Enter here and on page 1, Part I, line 9, column (A). 0.		Enter here and on page 1, Part I, line 9, column (B). 0.

Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income
(see instructions)

1. Description of exploited activity	2. Gross unrelated business income from trade or business	3. Expenses directly connected with production of unrelated business income	4. Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute cols. 5 through 7.	5. Gross income from activity that is not unrelated business income	6. Expenses attributable to column 5	7. Excess exempt expenses (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals		Enter here and on page 1, Part I, line 10, col. (A). 0.	Enter here and on page 1, Part I, line 10, col. (B). 0.			Enter here and on page 1, Part II, line 26. 0.

Schedule J - Advertising Income (see instructions)

Part I Income From Periodicals Reported on a Consolidated Basis

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals (carry to Part II, line (5))		0.	0.			0.

Part II Income From Periodicals Reported on a Separate Basis (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals from Part I		0.	0.			0.
Totals, Part II (lines 1-5)		Enter here and on page 1, Part I, line 11, col. (A). 0.	Enter here and on page 1, Part I, line 11, col. (B). 0.			Enter here and on page 1, Part II, line 27. 0.

Schedule K - Compensation of Officers, Directors, and Trustees (see instructions)

1. Name	2. Title	3. Percent of time devoted to business	4. Compensation attributable to unrelated business
(1)			%
(2)			%
(3)			%
(4)			%
Total. Enter here and on page 1, Part II, line 14			0.

FORM 990-T PARENT CORPORATION'S NAME AND IDENTIFYING NUMBER STATEMENT 1

<u>CORPORATION'S NAME</u>	<u>IDENTIFYING NO</u>
JOHNSON MEMORIAL MEDICAL CENTER	22-2541974

FORM 990-T NET OPERATING LOSS DEDUCTION STATEMENT 2

<u>TAX YEAR</u>	<u>LOSS SUSTAINED</u>	<u>LOSS PREVIOUSLY APPLIED</u>	<u>LOSS REMAINING</u>	<u>AVAILABLE THIS YEAR</u>
09/30/13	65,578.	0.	65,578.	65,578.
09/30/14	86,477.	0.	86,477.	86,477.
NOL CARRYOVER AVAILABLE THIS YEAR			<u>152,055.</u>	<u>152,055.</u>

FORM 990-T COST OF GOODS SOLD - OTHER COSTS STATEMENT 3

<u>DESCRIPTION</u>	<u>AMOUNT</u>
OTHER COSTS	428,080.
TOTAL TO FORM 990-T, SCHEDULE A, LINE 4B	<u>428,080.</u>