

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

OMB No. 1545-0047

2018

Open to Public Inspection

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

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

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization <div style="border: 1px solid black; padding: 2px;">Monadnock Community Hospital</div> Doing business as <div style="border: 1px solid black; padding: 2px;">Number and street (or P.O. box if mail is not delivered to street address) Room/suite</div> <div style="border: 1px solid black; padding: 2px;">452 Old Street Road</div> City or town, state or province, country, and ZIP or foreign postal code <div style="border: 1px solid black; padding: 2px;">Peterborough, NH 03458</div>	D Employer identification number <div style="border: 1px solid black; padding: 2px;">02-0222157</div>
	E Telephone number <div style="border: 1px solid black; padding: 2px;">(603) 924-7191</div>	
	F Name and address of principal officer: Cynthia K. McGuire same as C above	G Gross receipts \$ 96,629,150. H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) H(c) Group exemption number ▶
I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		
J Website: ▶ www.monadnockcommunityhospital.com		
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: 1919 M State of legal domicile: NH

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: Critical access hospital serving the Monadnock region of the State of New Hampshire		
	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	19
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	11
	5 Total number of individuals employed in calendar year 2018 (Part V, line 2a)	5	718
	6 Total number of volunteers (estimate if necessary)	6	142
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	0.
	b Net unrelated business taxable income from Form 990-T, line 38	7b	0.
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	1,019,530.	568,681.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	92,947,961.	95,385,881.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	7,773,593.	547,589.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	6,252.	7,975.
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	101,747,336.	96,510,126.
	14 Benefits paid to or for members (Part IX, column (A), line 4)	32,136.	33,223.
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	0.	0.
	16a Professional fundraising fees (Part IX, column (A), line 11e)	44,704,519.	46,717,343.
	b Total fundraising expenses (Part IX, column (D), line 25) ▶ 460,510.	0.	0.
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	48,859,814.	50,374,716.
	18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	93,596,469.	97,125,282.
	19 Revenue less expenses. Subtract line 18 from line 12	8,150,867.	-615,156.
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	Beginning of Current Year	End of Year
	21 Total liabilities (Part X, line 26)	130,171,265.	136,807,429.
	22 Net assets or fund balances. Subtract line 21 from line 20	52,257,757.	56,560,968.
		77,913,508.	80,246,461.

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 <div style="border: 1px solid black; padding: 2px;">Richard D. Scheinblum, VP of Finance/CFO</div> Type or print name and title	Date <div style="border: 1px solid black; padding: 2px;"></div>
Paid Preparer Use Only	Print/Type preparer's name Nicholas E. Porto	Preparer's signature
	Firm's name ▶ BAKER NEWMAN & NOYES	Date 08/11/20
	Firm's address ▶ BOX 507 PORTLAND, ME 04112	Check if self-employed <input type="checkbox"/> PTIN P01310283
		Firm's EIN ▶ 01-0494526
		Phone no. (207) 879-2100

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

Part III Statement of Program Service AccomplishmentsCheck if Schedule O contains a response or note to any line in this Part III ☒**1** Briefly describe the organization's mission:

Monadnock Community Hospital is committed to improving the health and well-being of our community. We will elevate the health of our community by providing accessible, high quality and value based care.

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

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

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

If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.**4a** (Code:) (Expenses \$ **86,394,029.** including grants of \$ **33,223.**) (Revenue \$ **95,385,881.**)

The primary purpose of Monadnock Community Hospital (MCH) is to ensure access to quality health care for patients in our community, regardless of their ability to pay. The following is a summary of the services MCH provides in an effort to fulfill its mission, together with key program statistics for fiscal year 2019.

Inpatient Services - Includes: intensive care unit, adult stays, maternity/births, and skilled nursing. During the fiscal year, the Hospital admitted 1,373 patients and recorded 4,186 patient days.

Emergency Services - MCH offers health services 24 hours per day, 7 days per week. Responsible for the immediate treatment of any medical

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 **86,394,029.**Form **990** (2018)

Part IV Checklist of Required Schedules

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

Part IV Checklist of Required Schedules (continued)

	Yes	No
22 Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III	22 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? If "Yes," complete Schedule J	23 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? If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a	24a X	
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b	X
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c	X
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d	X
25a Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I	25a	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? If "Yes," complete Schedule L, Part I	25b	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? If "Yes," complete Schedule L, Part II	26	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? If "Yes," complete Schedule L, Part III	27	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? If "Yes," complete Schedule L, Part IV	28a X	
b A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	28b 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? If "Yes," complete Schedule L, Part IV	28c	X
29 Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M	29 X	
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M	30	X
31 Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I	31	X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II	32	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? If "Yes," complete Schedule R, Part I	33	X
34 Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1	34 X	
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a 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)? If "Yes," complete Schedule R, Part V, line 2	35b	X
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2	36	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? If "Yes," complete Schedule R, Part VI	37	X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19?	38 X	

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

Part V Statements Regarding Other IRS Filings and Tax ComplianceCheck if Schedule O contains a response or note to any line in this Part V ☐

	Yes	No
1a Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a 118	
b Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b 0	
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c X	

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

		Yes	No
2a Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a 718		
b If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	2b	X	
Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)			
3a Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a		X
b If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O	3b		
4a At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a		X
b If "Yes," enter the name of the foreign country: ▶			
See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).			
5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a		X
b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b		X
c If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c		
6a Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?	6a		X
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b		
7 Organizations that may receive deductible contributions under section 170(c).			
a Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a	X	
b If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	X	
c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c		X
d If "Yes," indicate the number of Forms 8282 filed during the year	7d		
e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e		X
f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f		X
g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g		
h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h		
8 Sponsoring organizations maintaining donor advised funds. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?	8		
9 Sponsoring organizations maintaining donor advised funds.			
a Did the sponsoring organization make any taxable distributions under section 4966?	9a		
b Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?	9b		
10 Section 501(c)(7) organizations. Enter:			
a Initiation fees and capital contributions included on Part VIII, line 12	10a		
b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b		
11 Section 501(c)(12) organizations. Enter:			
a Gross income from members or shareholders	11a		
b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b		
12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a		
b If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b		
13 Section 501(c)(29) qualified nonprofit health insurance issuers.			
a Is the organization licensed to issue qualified health plans in more than one state?	13a		
Note. See the instructions for additional information the organization must report on Schedule O.			
b Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b		
c Enter the amount of reserves on hand	13c		
14a Did the organization receive any payments for indoor tanning services during the tax year?	14a		X
b If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O	14b		
15 Is the organization subject to the section 4960 tax on payment(s) of more than \$1,000,000 in remuneration or excess parachute payment(s) during the year?	15		X
If "Yes," see instructions and file Form 4720, Schedule N.			
16 Is the organization an educational institution subject to the section 4968 excise tax on net investment income?	16		X
If "Yes," complete Form 4720, Schedule O.			

Form 990 (2018)

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**

	1a	1b	Yes	No
1a Enter the number of voting members of the governing body at the end of the tax year	19			
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.				
b Enter the number of voting members included in line 1a, above, who are independent		11		
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?			X	
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?				X
4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?				X
5 Did the organization become aware during the year of a significant diversion of the organization's assets?				X
6 Did the organization have members or stockholders?			X	
7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?			X	
b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?			X	
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:				
a The governing body?			X	
b Each committee with authority to act on behalf of the governing body?			X	
9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O				X

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

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

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed **NH**

18 Section 6104 requires an organization to make its Forms 1023 (1024 or 1024-A if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
☒ Own website ☐ Another's website ☒ Upon request ☐ Other (explain in Schedule O)

19 Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

20 State the name, address, and telephone number of the person who possesses the organization's books and records **Nicole Humphrey - (603) 924-7191**
452 Old Street Road, Peterborough, NH 03458

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) Anne Baddour Trustee (end 12/18)	3.00 0.00	X						0.	0.	0.
(2) Robert Boyd Trustee	3.00 0.00	X						0.	0.	0.
(3) Peter Cerroni, DMD Trustee	3.00 0.00	X						0.	0.	0.
(4) Elizabeth Cooley, MD Ex-Officio (voting)	50.00 0.00	X						216,055.	0.	23,682.
(5) Jeffry Crocker Trustee	3.00 0.00	X						0.	0.	0.
(6) Barbara R. Duckett, RN Trustee	3.00 0.00	X						0.	0.	0.
(7) Paul Faber Trustee	3.00 0.00	X						0.	0.	0.
(8) Carolyn Garretson Trustee	3.00 0.00	X						0.	0.	0.
(9) Shawn Harrington, MD Ex-Officio (voting)	50.00 0.00	X						421,001.	0.	24,672.
(10) William James, Jr. Trustee	3.00 0.00	X						0.	0.	0.
(11) Gregory Kriebel, MD Ex-Officio (voting) (end 12/18)	50.00 0.00	X						285,361.	0.	25,599.
(12) Leslie Lewis Trustee	3.00 0.00	X						0.	0.	0.
(13) Fay Migotsky, MD Ex-Officio (voting) (end 4/19)	50.00 0.00	X						157,326.	0.	24,524.
(14) Lara Niemela, MD Ex-Officio (voting)	50.00 0.00	X						173,928.	0.	24,277.
(15) Joseph Pepe, MD Trustee	3.00 49.00	X						0.	966,705.	400,783.
(16) Pat Shuster Trustee	3.00 0.00	X						0.	0.	0.
(17) Sheldon Spector Ex-Officio (voting) (end 12/18)	3.00 0.00	X						0.	0.	0.

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(18) Alexander Walker, Esq. Trustee	3.00 42.00	X						0.	605,080.	212,505.
(19) Marcia Ober Chair	3.00 1.00	X		X				0.	0.	0.
(20) Michael Shea Vice Chair	3.00 0.00	X		X				0.	0.	0.
(21) Thomas S. Bates, CPA Treasurer	3.00 0.00	X		X				0.	0.	0.
(22) James Callahan, Esq. Secretary	3.00 0.00	X		X				0.	0.	0.
(23) Norman A. Makechnie, Esq. Secretary (end 12/18)	3.00 0.00	X		X				0.	0.	0.
(24) Cynthia McGuire Chief Executive Officer	55.00 1.00	X		X				286,202.	0.	46,892.
(25) Richard D. Scheinblum VP Finance/CFO	50.00 0.00			X				192,555.	0.	12,391.
(26) Ronald Michalak, MD Physician	50.00 0.00					X		520,775.	0.	24,739.
1b Sub-total								2,253,203.	1,571,785.	820,064.
c Total from continuation sheets to Part VII, Section A								1,539,723.	0.	89,869.
d Total (add lines 1b and 1c)								3,792,926.	1,571,785.	909,933.

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

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- 3** Did the organization list any **former** officer, director, or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual
- 4** For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual
- 5** Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If "Yes," complete Schedule J for such person

	Yes	No
3		X
4	X	
5		X

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
Catholic Medical Center 195 McGregor Street, Manchester, NH 03102	Contract Physician and Lab Services	2,922,109.
Monadnock Region Emergency Physicians PL 380 Lafayette Road, Hampton, NH 03842	Contract Emergency Physician Group	2,575,833.
Monadnock Anesthesia Association c/o Surgical Suite, Peterborough, NH 03458	Contract Anesthesia Group	1,473,879.
Hutter Construction Corporation P.O. Box 257, New Ipswich, NH 03071	General Contractor	1,412,743.
Blue Oak Wellness Strategies, LLC, 901 Sonterra Boulevard, Suite 311, San	Contract Fitness Group	845,041.

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

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See Part VII, Section A Continuation sheets

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Part VIII Statement of RevenueCheck if Schedule O contains a response or note to any line in this Part VIII ☐

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) 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	43,825.				
	d Related organizations	1d					
	e Government grants (contributions)	1e					
	f All other contributions, gifts, grants, and similar amounts not included above	1f	524,856.				
	g Noncash contributions included in lines 1a-1f: \$		60,424.				
	h Total. Add lines 1a-1f		568,681.				
Program Service Revenue	2 a Net patient service revenue	Business Code	621400	85,434,255.	85,434,255.		
	b Other operating revenue		621400	5,195,836.	5,195,836.		
	c Disproportionate share funding		621400	4,325,004.	4,325,004.		
	d Cafeteria/vending machine		722210	348,950.	348,950.		
	e Employee pharmacy sales		446110	81,836.	81,836.		
	f All other program service revenue						
	g Total. Add lines 2a-2f			95,385,881.			
	3 Investment income (including dividends, interest, and other similar amounts)			308,825.			308,825.
4 Income from investment of tax-exempt bond proceeds							
5 Royalties							
Other Revenue	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				
		333,401.	5,492.				
	b Less: cost or other basis and sales expenses			100,129.	0.		
	c Gain or (loss)			233,272.	5,492.		
	d Net gain or (loss)			238,764.			238,764.
	8 a Gross income from fundraising events (not including \$ 43,825. of contributions reported on line 1c). See Part IV, line 18	a	26,870.				
	b Less: direct expenses	b	18,895.				
	c Net income or (loss) from fundraising events			7,975.			7,975.
	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							
b							
c							
d All other revenue							
e Total. Add lines 11a-11d							
12 Total revenue. See instructions				96,510,126.	95,385,881.	0.	555,564.

Part IX Statement of Functional Expenses

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

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21	15,000.	15,000.		
2 Grants and other assistance to domestic individuals. See Part IV, line 22	18,223.	18,223.		
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	1,887,823.	1,288,207.	599,616.	
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	35,073,702.	31,510,402.	3,320,453.	242,847.
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	498,842.	422,956.	73,864.	2,022.
9 Other employee benefits	6,923,894.	5,936,393.	945,750.	41,751.
10 Payroll taxes	2,333,082.	2,065,688.	248,980.	18,414.
11 Fees for services (non-employees):				
a Management				
b Legal	108,120.		108,120.	
c Accounting	61,500.		61,500.	
d Lobbying	322.	322.		
e Professional fundraising services. See Part IV, line 17				
f Investment management fees	164,505.		164,505.	
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)	7,388,175.	6,904,724.	483,451.	
12 Advertising and promotion	53,381.	53,381.		
13 Office expenses	2,427,286.	1,210,011.	1,197,657.	19,618.
14 Information technology	1,129,249.	985,676.	138,193.	5,380.
15 Royalties				
16 Occupancy	2,480,915.	2,180,002.	300,913.	
17 Travel	86,548.	64,120.	20,033.	2,395.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	105,081.	56,921.	6,370.	41,790.
20 Interest	1,030,574.		1,030,574.	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	4,469,830.	4,273,126.	196,704.	
23 Insurance	513,475.	414,520.	98,955.	
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 Med & Pharm Supplies	14,411,055.	14,408,617.	2,438.	
b Other medical services	5,768,386.	4,990,469.	724,155.	53,762.
c Provision for Bad Debt	4,959,196.	4,959,196.		
d NH Medicaid Enhancement	4,035,270.	4,035,270.		
e All other expenses	1,181,848.	600,805.	548,512.	32,531.
25 Total functional expenses. Add lines 1 through 24e	97,125,282.	86,394,029.	10,270,743.	460,510.
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 SheetCheck 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	7,779.	1	7,980.
	2 Savings and temporary cash investments	13,302,423.	2	14,651,294.
	3 Pledges and grants receivable, net	295,658.	3	190,308.
	4 Accounts receivable, net	9,473,219.	4	8,907,681.
	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	201,592.	7	104,741.
	8 Inventories for sale or use	1,410,000.	8	1,326,143.
	9 Prepaid expenses and deferred charges	1,103,571.	9	1,018,003.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 99,866,990.		
	b Less: accumulated depreciation	10b 62,627,524.		
	11 Investments - publicly traded securities	37,250,391.	10c	37,239,466.
	12 Investments - other securities. See Part IV, line 11	61,664,565.	11	67,656,314.
	13 Investments - program-related. See Part IV, line 11	4,819,945.	12	4,862,084.
	14 Intangible assets		13	
	15 Other assets. See Part IV, line 11	642,122.	14	
16 Total assets. Add lines 1 through 15 (must equal line 34)	130,171,265.	15	843,415.	
17 Accounts payable and accrued expenses	130,171,265.	16	136,807,429.	
Liabilities	18 Grants payable	8,829,522.	17	9,652,072.
	19 Deferred revenue		18	
	20 Tax-exempt bond liabilities		19	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D	24,233,041.	20	24,284,323.
	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		21	
	23 Secured mortgages and notes payable to unrelated third parties		22	
	24 Unsecured notes and loans payable to unrelated third parties	189,132.	23	44,000.
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D		24	
	26 Total liabilities. Add lines 17 through 25	19,006,062.	25	22,580,573.
	27 Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.	52,257,757.	26	56,560,968.
Net Assets or Fund Balances	28 Unrestricted net assets	64,496,464.	27	66,538,580.
	29 Temporarily restricted net assets	4,377,657.	28	4,626,355.
	30 Permanently restricted net assets	9,039,387.	29	9,081,526.
	31 Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.			
	32 Capital stock or trust principal, or current funds		30	
	33 Paid-in or capital surplus, or land, building, or equipment fund		31	
	34 Retained earnings, endowment, accumulated income, or other funds		32	
	35 Total net assets or fund balances	77,913,508.	33	80,246,461.
36 Total liabilities and net assets/fund balances	130,171,265.	34	136,807,429.	

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Part XI Reconciliation of Net AssetsCheck 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	96,510,126.
2	Total expenses (must equal Part IX, column (A), line 25)	2	97,125,282.
3	Revenue less expenses. Subtract line 2 from line 1	3	-615,156.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	77,913,508.
5	Net unrealized gains (losses) on investments	5	4,757,155.
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	-1,809,046.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	80,246,461.

Part XII Financial Statements and ReportingCheck if Schedule O contains a response or note to any line in this Part XII ☒

	Yes	No
1 Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
2a Were the organization's financial statements compiled or reviewed by an independent accountant? _____ If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		X
b Were the organization's financial statements audited by an independent accountant? _____ If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	X	
c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? _____ If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	X	
3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? _____		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 (2018)

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support
Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.
▶ Attach to Form 990 or Form 990-EZ.
▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2018

Open to Public
Inspection

Name of the organization

Monadnock Community Hospital

Employer identification number

02-0222157

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

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

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

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

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ. 832021 10-11-18 **Schedule A (Form 990 or 990-EZ) 2018**

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

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

Section A. Public Support

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

Section B. Total Support

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

Section C. Computation of Public Support Percentage

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

Schedule A (Form 990 or 990-EZ) 2018

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

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

Section A. Public Support

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

Section B. Total Support

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

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

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

Section D. Computation of Investment Income Percentage

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

19a 33 1/3% support tests - 2018. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ☐**b 33 1/3% support tests - 2017.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ☐**20 Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ☐

Part IV Supporting Organizations

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

Section A. All Supporting Organizations

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

Part IV Supporting Organizations (continued)

	Yes	No
11 Has the organization accepted a gift or contribution from any of the following persons?		
a A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization?		
11a		
b A family member of a person described in (a) above?		
11b		
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 .		
11c		

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.		
1		
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.		
2		

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).		
1		

Section D. All Type III Supporting Organizations

	Yes	No
1 Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?		
1		
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).		
2		
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.		
3		

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.			
2a			
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.			
2b			
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 .			
3a			
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.			
3b			

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

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

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

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

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

Schedule A (Form 990 or 990-EZ) 2018

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

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

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

Schedule A (Form 990 or 990-EZ) 2018

Part VI

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

Schedule B

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

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

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

OMB No. 1545-0047

2018

Name of the organization

Monadnock Community Hospital

Employer identification number

02-0222157

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

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

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

☐ 527 political organization

Form 990-PF

☐ 501(c)(3) exempt private foundation

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

☐ 501(c)(3) taxable private foundation

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

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

General Rule

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

Special Rules

- ☐ For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of (1) \$5,000; or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h; or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- ☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I (entering "N/A" in column (b) instead of the contributor name and address), II, and III.
- ☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Don't complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling \$5,000 or more during the year ▶ \$ _____

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

Name of organization Monadnock Community Hospital	Employer identification number 02-0222157
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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
<u>1</u>		\$ <u>38,361.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II for noncash contributions.)
<u>2</u>		\$ <u>5,200.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
<u>3</u>		\$ <u>31,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
<u>4</u>		\$ <u>5,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
<u>5</u>		\$ <u>125,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
<u>6</u>		\$ <u>5,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization	Employer identification number
Monadnock Community Hospital	02-0222157

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
<u>7</u>		\$ <u>15,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
<u>8</u>		\$ <u>6,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
<u>9</u>		\$ <u>12,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
<u>10</u>		\$ <u>10,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
<u>11</u>		\$ <u>25,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
<u>12</u>		\$ <u>7,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization	Employer identification number
Monadnock Community Hospital	02-0222157

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		\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
14		\$ 8,129.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
15		\$ 21,773.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II for noncash contributions.)
16		\$ 6,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
17		\$ 10,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
18		\$ 10,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization	Employer identification number
Monadnock Community Hospital	02-0222157

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
19		\$ 16,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
20		\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
21		\$ 7,000.	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.)

Employer identification number

02-0222157

Part II

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
1	Publicly traded securities		
		\$ 38,285.	09/30/19
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
15	122 shares of Union pacific		
		\$ 19,773.	09/18/19
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
		\$	

Name of organization Monadnock Community Hospital	Employer identification number 02-0222157
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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 C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

OMB No. 1545-0047

2018

**Open to Public
Inspection**

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

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

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

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

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

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

Name of organization

Monadnock Community Hospital

Employer identification number

02-0222157

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

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV.

2 Political campaign activity expenditures ▶ \$

3 Volunteer hours for political campaign activities

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

1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ \$

2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ \$

3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? ☐ Yes ☐ No

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV.

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

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ \$

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527
exempt function activities ▶ \$

3 Total exempt function expenditures. Add lines 1 and 2. Enter here and on Form 1120-POL,
line 17b ▶ \$

4 Did the filing organization file **Form 1120-POL** for this year? ☐ Yes ☐ No

5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments. For each organization listed, enter the amount paid from the filing organization's funds. Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds. If none, enter -0-.	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization. If none, enter -0-.

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

Schedule C (Form 990 or 990-EZ) 2018

LHA

832041 11-08-18

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

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

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing organization's totals	(b) Affiliated group totals												
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)														
b Total lobbying expenditures to influence a legislative body (direct lobbying)														
c Total lobbying expenditures (add lines 1a and 1b)														
d Other exempt purpose expenditures														
e Total exempt purpose expenditures (add lines 1c and 1d)														
f Lobbying nontaxable amount. Enter the amount from the following table in both columns.														
<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:35%;">If the amount on line 1e, column (a) or (b) is:</th> <th style="width:65%;">The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e.</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000.</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000.</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000.</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000.</td> </tr> </tbody> </table>	If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e.	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.	Over \$17,000,000	\$1,000,000.		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:													
Not over \$500,000	20% of the amount on line 1e.													
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.													
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.													
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.													
Over \$17,000,000	\$1,000,000.													
g Grassroots nontaxable amount (enter 25% of line 1f)														
h Subtract line 1g from line 1a. If zero or less, enter -0-														
i Subtract line 1f from line 1c. If zero or less, enter -0-														
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?														

☐ Yes ☐ No
4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below.

See the separate instructions for lines 2a through 2f.)

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

Schedule C (Form 990 or 990-EZ) 2018

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

For each "Yes," response on lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.

	(a)		(b)
	Yes	No	Amount
1 During the year, did the filing organization attempt to influence foreign, national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a Volunteers?		X	
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		X	
c Media advertisements?		X	
d Mailings to members, legislators, or the public?		X	
e Publications, or published or broadcast statements?		X	
f Grants to other organizations for lobbying purposes?	X		14,224.
g Direct contact with legislators, their staffs, government officials, or a legislative body?	X		322.
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		X	
i Other activities?		X	
j Total. Add lines 1c through 1i			14,546.
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		X	
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

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

Part II-B, Line 1, Lobbying Activities:

Monadnock Community Hospital is a member of the New Hampshire Hospital Association (NHHA) and the American Hospital Association (AHA). A portion of the dues paid to these organizations is available for lobbying expenditures on behalf of Monadnock Hospital in furtherance of its exempt purpose. Monadnock Hospital does not directly perform any

Part IV Supplemental Information *(continued)*

lobbying activities.

NHHA, Portion of dues available for lobbying: \$10,503

AHA, Portion of dues available for lobbying: \$3,721

In addition, MCH hosts an annual legislative breakfast, which is a bipartisan event to which legislators, local politicians, and other public officials are invited to discuss health care issues in New Hampshire. Discussion topics for the 2019 breakfast focused on the current and proposed healthcare legislation, its impact on MCH, and collaboration to advocate for the growing health needs of the Monadnock region. The cost of this forum was \$322.

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

▶ **Attach to Form 990.**

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

OMB No. 1545-0047

2018

Open to Public Inspection

Name of the organization

Monadnock Community Hospital

Employer identification number

02-0222157

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

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

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

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

<input type="checkbox"/> Preservation of land for public use (e.g., recreation or education)	<input type="checkbox"/> Preservation of a historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of a certified historic structure
<input type="checkbox"/> Preservation of open space	

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

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

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

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

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

☐ Yes ☐ No

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

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

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

☐ Yes ☐ No

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

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

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

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

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

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

(ii) Assets included in Form 990, Part X

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

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

b Assets included in Form 990, Part X

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

Schedule D (Form 990) 2018

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

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

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

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

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

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

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

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

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

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

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

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

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	13,417,044.	12,277,040.	11,739,947.	11,053,734.	11,410,548.
b Contributions	169,256.	493,404.	205,969.	498,812.	1,026,702.
c Net investment earnings, gains, and losses	750,558.	1,411,813.	1,073,757.	708,687.	489,797.
d Grants or scholarships					
e Other expenditures for facilities and programs	628,977.	765,213.	742,633.	521,286.	1,873,313.
f Administrative expenses					
g End of year balance	13,707,881.	13,417,044.	12,277,040.	11,739,947.	11,053,734.

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

- a Board designated or quasi-endowment ☐ .00 %
 b Permanent endowment ☐ 66.25 %
 c Temporarily restricted endowment ☐ 33.75 %

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

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

- (i) unrelated organizations
 (ii) related organizations

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

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

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

Part VI Land, Buildings, and Equipment.

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		964,622.		964,622.
b Buildings		36,299,771.	24,007,617.	12,292,154.
c Leasehold improvements		1,394,124.	692,863.	701,261.
d Equipment		61,208,473.	37,927,044.	23,281,429.
e Other				
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				37,239,466.

Schedule D (Form 990) 2018

Part VII Investments - Other Securities.

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

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

Part VIII Investments - Program Related.

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

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

Part IX Other Assets.

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

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ►	

Part X Other Liabilities.

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

1. (a) Description of liability	(b) Book value	
(1) Federal income taxes		
(2) Interest rate swap agreements	3,028,761.	
(3) Estimated third-party settlements	19,551,812.	
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ►	22,580,573.	

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

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

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

1	Total revenue, gains, and other support per audited financial statements	1	98,833,220.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains (losses) on investments	2a	4,757,155.
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIII.)	2d	-1,809,046.
e	Add lines 2a through 2d	2e	2,948,109.
3	Subtract line 2e from line 1	3	95,885,111.
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	164,505.
b	Other (Describe in Part XIII.)	4b	460,510.
c	Add lines 4a and 4b	4c	625,015.
5	Total revenue. Add lines 3 and 4c . (This must equal Form 990, Part I, line 12.)	5	96,510,126.

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

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

1	Total expenses and losses per audited financial statements	1	96,500,267.
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	0.
3	Subtract line 2e from line 1	3	96,500,267.
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	164,505.
b	Other (Describe in Part XIII.)	4b	460,510.
c	Add lines 4a and 4b	4c	625,015.
5	Total expenses. Add lines 3 and 4c . (This must equal Form 990, Part I, line 18.)	5	97,125,282.

Part XIII Supplemental Information.

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

Part V, line 4:

Temporarily restricted assets are available for health care services, including the purchase of equipment and providing health education and programs.

The income and dividends on permanently restricted net assets are generally used to support health care services and for capital purchases of property and equipment.

Part X, Line 2:

The Hospital is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code (the Code) and is exempt from

Part XIII Supplemental Information *(continued)*

federal income taxes on related income pursuant to Section 501(a) of the Code. Management evaluated the Hospital's tax positions and concluded the Hospital has maintained its tax-exempt status, does not have any significant unrelated business income and had taken no uncertain tax positions that require adjustment to or disclosure in the accompanying financial statements.

Part XI, Line 2d - Other Adjustments:

Decrease in fair value of interest rate swap agreement	-1,851,185.
Increase in fair value of perpetual trust	42,139.
Total to Schedule D, Part XI, Line 2d	-1,809,046.

Part XI, Line 4b - Other Adjustments:

Fundraising expenses	460,510.
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Part XII, Line 4b - Other Adjustments:

Fundraising expenses	460,510.
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Part II Fundraising Events. Complete if the organization answered "Yes" on Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

Revenue		(a) Event #1	(b) Event #2	(c) Other events	(d) Total events (add col. (a) through col. (c))
		MCH Golf Classic (event type)	(event type)	None (total number)	
Revenue	1 Gross receipts	70,695.			70,695.
	2 Less: Contributions	43,825.			43,825.
	3 Gross income (line 1 minus line 2)	26,870.			26,870.
Direct Expenses	4 Cash prizes	240.			240.
	5 Noncash prizes	6,517.			6,517.
	6 Rent/facility costs	5,760.			5,760.
	7 Food and beverages	4,195.			4,195.
	8 Entertainment	0.			
	9 Other direct expenses	2,183.			2,183.
	10 Direct expense summary. Add lines 4 through 9 in column (d)				18,895.
	11 Net income summary. Subtract line 10 from line 3, column (d)				7,975.

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

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

9 Enter the state(s) in which the organization conducts gaming activities: _____

a Is the organization licensed to conduct gaming activities in each of these states? ☐ Yes ☐ No

b If "No," explain: _____

10a Were any of the organization's gaming licenses revoked, suspended, or terminated during the tax year? ☐ Yes ☐ No

b If "Yes," explain: _____

- 11** Does the organization conduct gaming activities with nonmembers? ☐ Yes ☐ No
- 12** Is the organization a grantor, beneficiary or trustee of a trust, or a member of a partnership or other entity formed to administer charitable gaming? ☐ Yes ☐ No
- 13** Indicate the percentage of gaming activity conducted in:
- | | | |
|--------------------------------------|------------|---|
| a The organization's facility | 13a | % |
| b An outside facility | 13b | % |
- 14** Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name ► _____

Address ► _____

- 15a** Does the organization have a contract with a third party from whom the organization receives gaming revenue? ☐ Yes ☐ No

b If "Yes," enter the amount of gaming revenue received by the organization ► \$ _____ and the amount of gaming revenue retained by the third party ► \$ _____

c If "Yes," enter name and address of the third party:

Name ► _____

Address ► _____

- 16** Gaming manager information:

Name ► _____

Gaming manager compensation ► \$ _____

Description of services provided ► _____

☐ Director/officer☐ Employee☐ Independent contractor

- 17** Mandatory distributions:

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? ☐ Yes ☐ No

b Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ► \$ _____

Part IV Supplemental Information. Provide the explanations required by Part I, line 2b, columns (iii) and (v); and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also provide any additional information. See instructions.

Part IV	Supplemental Information <i>(continued)</i>
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[illegible]

**SCHEDULE H
(Form 990)**

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No. 1545-0047

2018

**Open to Public
Inspection**

Name of the organization

Monadnock Community Hospital

Employer identification number

02-0222157

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: <input type="checkbox"/> 100% <input type="checkbox"/> 150% <input checked="" type="checkbox"/> 200% <input type="checkbox"/> Other _____ %	X	
b Did the organization use FPG as a factor in determining eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care: <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input checked="" type="checkbox"/> 400% <input type="checkbox"/> Other _____ %	X	
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?		
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)			938,018.		938,018.	1.02%
b Medicaid (from Worksheet 3, column a)			10,047,512.	7,862,007.	2,185,505.	2.37%
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total. Financial Assistance and Means-Tested Government Programs			10,985,530.	7,862,007.	3,123,523.	3.39%
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			604,000.		604,000.	.66%
f Health professions education (from Worksheet 5)			5,000.		5,000.	.01%
g Subsidized health services (from Worksheet 6)			2,886,000.		2,886,000.	3.13%
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			567,300.		567,300.	.62%
j Total. Other Benefits			4,062,300.		4,062,300.	4.42%
k Total. Add lines 7d and 7j			15,047,830.	7,862,007.	7,185,823.	7.81%

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development						
3 Community support						
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy						
8 Workforce development						
9 Other						
10 Total						

1 Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?		1	X
2 Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount		2	2,538,761.
3 Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit		3	70,800.
4 Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements.			
Section B. Medicare			
5 Enter total revenue received from Medicare (including DSH and IME)		5	27,976,705.
6 Enter Medicare allowable costs of care relating to payments on line 5		6	27,772,644.
7 Subtract line 6 from line 5. This is the surplus (or shortfall)		7	204,061.
8 Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6.			
Check the box that describes the method used:			
<input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other			
Section C. Collection Practices			
9a Did the organization have a written debt collection policy during the tax year?		9a	X
b If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI		9b	X

[illegible]

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 Monadnock Community 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 checked="" type="checkbox"/> The impact of any actions taken to address the significant health needs identified in the hospital facility's prior CHNA(s)		
j <input type="checkbox"/> Other (describe in Section C)		
4 Indicate the tax year the hospital facility last conducted a CHNA: <u>20 17</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>see Part V, Section C</u>		
b <input type="checkbox"/> Other website (list url):		
c <input checked="" type="checkbox"/> Made a paper copy available for public inspection without charge at the hospital facility		
d <input type="checkbox"/> Other (describe in Section C)		
8 Did the hospital facility adopt an implementation strategy to meet the significant community health needs identified through its most recently conducted CHNA? If "No," skip to line 11	8	X
9 Indicate the tax year the hospital facility last adopted an implementation strategy: <u>20 18</u>		
10 Is the hospital facility's most recently adopted implementation strategy posted on a website?	10	X
a If "Yes," (list url): <u>See Part V, Section C</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 Monadnock Community Hospital

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

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Part V Facility Information (continued)**Billing and Collections**Name of hospital facility or letter of facility reporting group Monadnock Community Hospital

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

Policy Relating to Emergency Medical Care

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

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Part V Facility Information (continued)**Charges to Individuals Eligible for Assistance Under the FAP (FAP-Eligible Individuals)**Name of hospital facility or letter of facility reporting group Monadnock Community Hospital**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** ☐ The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service during a prior 12-month period
- b** ☒ The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period
- c** ☐ The hospital facility used a look-back method based on claims allowed by Medicaid, either alone or in combination with Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period
- d** ☐ The hospital facility used a prospective Medicare or Medicaid method

23 During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care?

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?

If "Yes," explain in Section C.

	Yes	No
23		X
24		X

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Part V Facility Information (continued)

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

Monadnock Community Hospital:

Part V, Section B, Line 5: Monadnock Community Hospital (MCH) used a methodology that was highly focused on identifying needs among underserved populations. The approach used was designed to elicit perspective from a broad range of community stakeholders - especially those representing higher risk groups. MCH used a multi-phased methodology to achieve the objectives of the assessment.

The methodology included the following stages: establishing a leadership team to provide project guidance and insight regarding local health resources and perspectives of community needs; strategic secondary research; conducting qualitative research through group discussions and surveying community stakeholders representing high-risk populations in the service area; needs prioritization process.

Establishing a Leadership Team - MCH benefits from having a highly stable group of community leaders - many of whom have participated in CHNA processes and worked collaboratively with MCH to address prioritized need for many years. The benefit of this is that a broad section of the MCH region service providers remain engaged and highly insightful about emerging needs, as well as the impact of existing strategies. The Leadership Group, though retaining a core group of highly experienced participants - is continually enhanced with the addition of new participants who bring creative insight and unique perspectives. The result is a MCH-led CHNA Leadership Group that is highly effective, quickly transitions "assessed needs" to implementation strategies, and is

Part V Facility Information (continued)

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

sensitive to evolving needs and opportunities for improving health and wellbeing. The Group offered critical feedback on the project work plan, critiqued quantitative data, helped to refine the list of community needs, helped develop the database of available resources, and participated in quantitative and qualitative research methods to build the prioritized list of identified community needs.

Qualitative (Primary) Research - Leadership meetings and one-on-one interviews were conducted with a broad range of MCH leaders, community stakeholders, other community service providers, and healthcare consumers in the service area. The primary research also included quantitative and qualitative feedback provided from 33 community leaders and stakeholders via an electronic survey. The research approach was designed to "cast a broad net: and engage underserved populations and other stakeholders highly knowledgeable about resources and service gaps that those communities face. The research goals were (1) to flesh out a high-level list of community needs, and (2) to gain insight and granularity regarding specific subpopulations impacted by higher priority needs. The discussion group included leaders from community service providers who represent at-risk groups such as (but not limited to) adults and children suffering from behavioral health problems, chronic disease patients and those at-risk of acquiring a chronic condition, economically challenged populations including children living in poverty and/or near-poverty, homeless individuals and families, individuals and families in engaging in risky lifestyles, populations requiring integrated care service, senior citizens, and other frequent users of the healthcare system.

Part V Facility Information (continued)

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

Monadnock Community Hospital:

Part V, Section B, Line 11: Please see attached implementation plan for how the Hospital is addressing (or any needs it is not addressing and why) the significant needs of the community in which it serves.

Monadnock Community Hospital:

Part V, Section B, Line 16j: The complete financial assistance policy is available upon request and in the waiting rooms. Instructions on how to find out more about financial assistance are posted on the Hospital's website, on the back of all billing invoices, and published in a brochure that is available around the Hospital and in the admissions office.

Interpreter services are available for limited English proficient individuals and for the hard of hearing and/or visually impaired.

Monadnock Community Hospital:

Part V, Section B, Line 20e: The Hospital Patient Financial Services (PFS) Department shall develop and implement billing and collection procedures designed to maintain an adequate cash flow, keep accounts receivable at an acceptable level, and identify and write-off bad debts in a timely fashion. Monadnock Community Hospital contracts with an agency to process all self-pay accounts and self-pay after insurance balance statements/letters.

Part V Facility Information (continued)

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

I. Self-pay accounts and self-pay balances remaining after insurance

adjudication shall be transferred to the agency on a weekly basis. The cycle for collections is three (3) statements and/or letters and two phone call series spaced approximately thirty (30) days apart. The statements shall include:

a. Previous balance (unless this is the first statement).

b. Activity since last statement (except those accounts that went to a \$0.00 balance).

c. Current balance due.

d. Telephone number(s) for inquiries concerning the statement.

e. Status or reminder message where appropriate.

f. Availability for the use of a credit card for payment.

g. Information regarding Financial Assistance and Medication Bridge Programs.

h. Return envelope.

II. In the event that statements or letters are returned by the postal service as undeliverable for reasons such as "moved, left no forwarding address," "forwarding order expired," or "no such address" the agency will indicate on the daily report "mail returned." PFS staff will review system for the correct address and will make corrections within the computer system and correspondence will be re-mailed. If no correct or current information can be obtained, the specific account(s) shall be flagged for referral to an outside collection agency equipped to handle this type of situation (see bad debt processing footnote).

In addition, on a weekly basis, the FAP staff run system reports to

Part V Facility Information (continued)

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

identify emergency room visits classified as self-pay. Based on the information in these reports, the guarantor of each visit is sent a financial assistance application in the mail. Determination of eligibility is contingent upon receiving a completed application and required documentation from the patient and/or guarantor.

Schedule H, Part V, Section B, Line 7a & 10a:

The Hospital's Community Health Needs and Benefits web-page can be found at the following address:

[https://monadnockcommunityhospital.com/about-us/
community-health-needs-and-benefits/](https://monadnockcommunityhospital.com/about-us/community-health-needs-and-benefits/)

The Hospital's previous CHNA, for the year ending September 30, 2015, can be found at the following address:

[https://monadnockcommunityhospital.com/wp-
content/uploads/2018/12/CHNA_2015.pdf](https://monadnockcommunityhospital.com/wp-content/uploads/2018/12/CHNA_2015.pdf)

The Hospital's current CHNA, for the year ending September 30, 2018, can be found at the following address:

[https://monadnockcommunityhospital.com/wp-
content/uploads/2018/12/2018-CHNA-Report-FINAL-1.pdf](https://monadnockcommunityhospital.com/wp-content/uploads/2018/12/2018-CHNA-Report-FINAL-1.pdf)

The Hospital's Implementation Plan, for the period covering 2019-2021, can be found at the following address:

[http://monadnockcommunityhospital.com/wp-
content/uploads/2019/06/MCH-Implementation-Plan-2019.pdf](http://monadnockcommunityhospital.com/wp-content/uploads/2019/06/MCH-Implementation-Plan-2019.pdf)

Part V Facility Information (continued)

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

Schedule H, Part V, Section B, Line 16b:

The complete financial assistance policy is available upon request and in the waiting rooms. Instructions on how to find out more about financial assistance are posted on the Hospital's website, on the back of all billing invoices, and published in a brochure that is available around the Hospital and in the admissions office.

The Hospital's Financial Assistance Policy is available on the Hospital's website at:

<http://monadnockcommunityhospital.com/wp-content/uploads/2019/04/MCH-FAP-Policy.pdf>

The Hospital's Financial Assistance Policy Application is available at:

https://monadnockcommunityhospital.com/wp-content/uploads/2018/11/MCH_FAP_Application.pdf

The Hospital's Financial Assistance Plain Language Summary is available at:

http://monadnockcommunityhospital.com/wp-content/uploads/2019/04/FAP_Plain_Language_Summary-2019.pdf

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? 12

Name and address	Type of Facility (describe)
1 Bond Wellness Center 458 Old Street Road, Wellness Center Peterborough, NH 03458	Fitness center and rehabilitation services
2 Monadnock Orthopedic Associates 458 Old Street Road, Wellness Center Peterborough, NH 03458	Physician practice
3 Jaffrey Family Medicine/PT Satellite 82 Peterborough Road Jaffrey, NH 03452	Physician practice with PT services
4 Monadnock Regional Pediatrics 454 Old Street Road, MAB Building Peterborough, NH 03458	Physician practice
5 Monadnock Internal Medicine 454 Old Street Road, MAB Building Peterborough, NH 03458	Physician practice
6 Monadnock Family Care 454 Old Street Road, MAB Building Peterborough, NH 03458	Physician practice
7 Monadnock Surgical Associates 454 Old Street Road, MAB Building Peterborough, NH 03458	Physician practice
8 Antrim Medical Group 12 Elm Street Antrim, NH 03440	Physician practice
9 Monadnock Behavioral Health 458 Old Street Road, Wellness Center Peterborough, NH 03458	Physician practice
10 Rindge Family Practice 145 US Route 202 Rindge, NH 03461	Physician practice

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Part VI Supplemental Information

Provide the following information.

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

Part I, Line 3c:

N/A

Part I, Line 6a:

N/A

Part I, Line 7:

Charity care and means tested programs use the cost to charge ratio as their methodology. This Hospital calculates the ratio in a manner consistent with worksheet 2, patient care charges to patient care expenses, to arrive at the ratio of cost to charges.

Part I, Line 7g:

Included in the subsidized health services activities reported for FY 2019 are unreimbursed costs of \$703,000 attributed to an outpatient behavioral health practice and \$1,986,000 related to emergency and trauma services.

Part I, Ln 7 Col(f):

Part VI Supplemental Information (Continuation)

The Bad Debt expense included on Form 990, Part IX, Line 25(A), but subtracted for purposes of calculating the percentage in this column is \$4,959,196.

Part II, Community Building Activities:

See previous footnotes.

Part III, Line 2:

The amount reported on Part III, Line 2 was derived by applying the cost to charge ratio against the amount of bad debt expense reported on Form 990, Part IX, Line 25, Column (A) (\$4,959,196). Accounts written off to bad debt include gross charges being written off less any payments received against those charges. Any cash collected on accounts previously written off is included as an offset to bad debt expense as recoveries of bad debt. The Hospital calculates the ratio in a manner consistent with Worksheet 2, patient care charges to patient care expenses, to arrive at the ratio of costs to charges.

Part III, Line 3:

The estimated amount of charity care included in bad debt expense is based on the number of applications for charity care denied due to lack of complete documentation against the average charity care write off at cost per qualified patient. We believe the amount is minimal based on our extensive efforts to educate patients and staff about our various payment plans and financial grant programs to ensure that patients who qualify for any of our programs utilize them. Depending on the specific circumstances, a patient may be eligible for charity care, discounted care, payment programs, or a combination of the above. Due to these efforts, we believe

Schedule H (Form 990)

Part VI Supplemental Information (Continuation)

that amounts written off to bad debt that could qualify as charity care is minimal.

Part III, Line 4:

Please see footnote 1 on page 8 of the attached audited financial statements.

Part III, Line 8:

Medicare allowable costs for the Medicare cost report are reported in accordance with CMS guidelines using the cost to charge ratio methodology.

Part III, Line 9b:

As of 9/30/2011 Monadnock Community Hospital has a written credit and collection policy. Described within that policy are the collection practices and bad debt processes that are followed for patients who are known to qualify for charity care or financial assistance. The Organization maintains a Financial Assistance Program (FAP) database which is maintained by the Social Services Department of MCH. The Patient Financial Services (PFS) staff reference this database for approval status and eligibility amounts, identifying any account(s) where the discount will apply. Internal FAP insurance plans are applied to those accounts and related discount amounts are adjusted in the billing system. Remaining balances are expected to be paid in full by the patient. Payment plans may be requested by the patient and are established by the Financial Grant Coordinator based on the patient's available income and assets. Accounts are annotated to reflect payment arrangements. During bad debt processing, designated staff evaluate accounts listed as collection review for potential bad debt write off. This process includes

Schedule H (Form 990)

Part VI Supplemental Information (Continuation)

an examination of account history for indication of FAP application.

Part VI, Line 2:

The State of NH, under RSA 7:32-f, requires every healthcare charitable trust, either alone or in conjunction with other healthcare charitable trusts in its community, to conduct a Community Health Needs Assessment to assist in determining the activities to be included in its community benefits plan. The needs assessment process includes consultation with members of the public, community organizations, service providers, and local government officials in the entity's service area to identify and prioritize the community needs that the health care entity can address directly or in collaboration with others. The Community Health Needs Assessment is updated at least every three years, most recently in 2018. In 2007, the Regional Community Benefits Steering Committee was first formed to prepare a single Community Benefits Needs Assessment for the Monadnock Region. The work group consisted of representatives from multiple organizations, including Monadnock Community Hospital. Based on the needs assessment and community engagement process, the priority needs and health concerns of the community MCH serves include access to care - driven by financial barriers and/or availability of primary care, availability of behavioral health care, general socioeconomic issues, and transportation services. This collaboration is continued today, through a similar process for the CHNA. In mid-2018, MCH completed its most recent CHNA and successfully identified and prioritized service gaps in the region. Utilizing a consulting group along with community organizations, the team collaborated to not only identify these gaps but to work together to identify and implement a plan to decrease these service gaps and improve the overall health of the community. Monadnock Community Hospital

Schedule H (Form 990)

Part VI Supplemental Information (Continuation)

uses this information to help focus its Community Benefit efforts to meet the priority needs identified in the Community Benefit Plan. In addition, other needs or services not specifically identified in the Community Health Needs Assessment, but addressed under the Organization's Community Benefit Plan include availability of dental or oral health care (via the Organization's Monadnock Healthy Teeth to Toes program which focuses on dental hygiene and care, nutrition, and daily physical activity for children ages kindergarten to third grade) and availability of prescription medication (via the Organization's Medication Bridge program designed to help eligible patients apply for assistance programs that provide free or discounted prescription medications). Pursuant to State of NH RSA 7:32-c-1, a Community Benefits Reporting Form is filed annually with the Office of the Attorney General Charitable Trusts Unit.

Part VI, Line 3:

MCH is committed to providing quality healthcare to anyone in need of services, regardless of ability to pay. We understand patients may not have the finances to pay for their healthcare services and medications, and do not want this to prevent anyone from receiving necessary treatment. As part of the Hospital's mission to the communities we serve, we have developed programs to help meet the needs of our patients who meet income eligibility. Through our Financial Assistance and Medication Bridge Programs, we have been providing financial assistance to those qualifying for many years. We reach out to our patients in many different ways to ensure that they are aware that help is available and to guide them through the process. Brochures and signage are posted in high traffic areas and all employees of MCH are informed about the Financial Assistance Program during orientation. When a patient goes through the registration

Part VI Supplemental Information (Continuation)

process at the Hospital the staff are trained to inform uninsured or underinsured patients about the Monadnock Community Hospital Financial Assistance and the New Hampshire Health Access programs and that there is assistance available within the Hospital to help with the application process. In addition, any time a patient calls customer service, the representative is trained to help identify and offer support to patients who may require financial assistance. Patients may qualify for free care, discounted care, payment plans or a combination of the above. Assistance is also provided in applying to federal and state programs for those who qualify.

Part VI, Line 4:

The Hospital's primary service area consists of 13 towns, including Antrim, Bennington, Dublin, Frankestown, Greenfield, Greenville, Hancock, Jaffrey, New Ipswich, Peterborough, Rindge, Sharon, and Temple. The Hospital serves the general population of the primary service area referenced above.

Part VI, Line 5:

Monadnock Community Hospital is a critical access hospital located in the Monadnock Region of NH. Our mission is to improve the health and well-being of our community. The Hospital is served by a board of trustees consisting of local citizens active in their community and its organizations. The majority of the board is not employed by the Hospital and consists of local community and business representatives as well as medical staff. Each year, MCH seeks to make the Monadnock Region a healthier place to live by identifying new and changing healthcare needs, then developing a strategy to address some of the most pressing issues.

Schedule H (Form 990)

Part VI Supplemental Information (Continuation)

In addition, no one is turned away who is in need of medical care. Our mission is to provide health care for everyone in our community, regardless of their ability to pay. The Hospital is committed to giving back to the community to the greatest extent possible. Monadnock Community Hospital supports thousands of individuals and families with free or reduced-fee services and programs. Our Financial Assistance Program administered by the Social Services Department helps families and individuals in need with access to health care and other available community services such as catastrophic care, fuel assistance, meals on wheels, food banks, and visiting nurses. Other examples of the Hospital's effort to reach our patients beyond traditional hospital services include access to free or reduced cost medications through our Medication Bridge program; educating children on the importance of good oral hygiene through our Monadnock Healthy Teeth program which helps children in preschool through high school to get off to a good start regardless of family access to dental health care; training for community agencies such as local volunteer fire and rescue personnel; offering prevention and wellness education including nutrition, smoking cessation and dealing with stress; providing regular community seminars regarding timely health topics; screenings and clinics for important health issues such as breast cancer; offer behavioral health (substance use & mental health) trainings to the community through Be The Change; and offer space for community organizations to meet, including local support groups. These are just a few of the many areas where we are reaching out to others to assure they are cared for well.

Part VI, Line 6:

GraniteOne Health is a non-profit, New Hampshire-based healthcare system

Schedule H (Form 990)

Part VI Supplemental Information (Continuation)

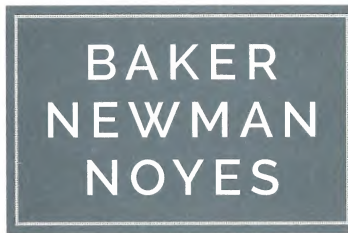
consisting of Catholic Medical Center (CMC) in Manchester, Huggins Hospital (HH) in Wolfeboro, and Monadnock Community Hospital (MCH) in Peterborough. GraniteOne Health draws on the resources and expertise of these strong, trusted hospitals to enhance collaboration, strengthen clinical partnerships and meet the health needs of the communities by providing greater access to high-quality care and a seamless patient experience. The organization will enable the hospitals to grow their clinical relationships, build economies of scale, and improve value to patients.

Both Huggins and Monadnock have long-standing clinical relationships with CMC in specialty areas such as cardiology and vascular care. GraniteOne allows the hospitals to explore further collaborations in clinical areas as well as other services that could benefit from economies of scale, all while maintaining a seamless patient experience.

GraniteOne Health offers access points throughout New Hampshire to advanced clinical services such as open heart surgery, angioplasty, minimally invasive heart valve and vascular surgery, cancer care, comprehensive weight loss management, orthopedics, innovative maternal health services and over 30 other medical and surgical subspecialties. GraniteOne Health gives patients access to high-quality, coordinated care across the continuum of health.

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

NH



The Monadnock Community Hospital

Audited Financial Statements

*Years Ended September 30, 2019 and 2018
With Independent Auditors' Report*

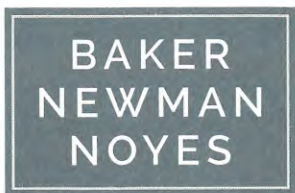
THE MONADNOCK COMMUNITY HOSPITAL

Audited Financial Statements

Years Ended September 30, 2019 and 2018

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
The Monadnock Community Hospital

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Board of Trustees
The Monadnock Community Hospital

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Hospital as of September 30, 2019 and 2018, and the results of its operations, changes in its 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

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

Baker Newman & Noyes LLC

Manchester, New Hampshire
January 21, 2020

THE MONADNOCK COMMUNITY HOSPITAL

BALANCE SHEETS

September 30, 2019 and 2018

ASSETS

	<u>2019</u>	<u>2018</u>
Current assets:		
Cash and cash equivalents	\$ 13,442,283	\$ 12,271,683
Accounts receivable, net (notes 2 and 4)	8,907,681	9,473,219
Current portion of notes receivable	89,370	164,377
Other receivables (note 10)	641,032	444,154
Current portion of pledges receivable, net (note 5)	95,238	95,923
Inventories	1,326,143	1,410,000
Prepaid expenses	<u>1,018,003</u>	<u>1,103,571</u>
Total current assets	25,519,750	24,962,927
Assets limited as to use (notes 4, 6, 9 and 16)	73,735,389	67,523,029
Medical office building and related assets, net of accumulated depreciation of \$2,170,183 in 2019 and \$2,075,186 in 2018	1,249,441	1,344,438
Property and equipment, net (notes 7 and 8)	35,990,025	35,905,953
Notes receivable, less current portion	15,371	37,215
Other:		
Pledges receivable, less current portion, net (note 5)	95,070	199,735
Other assets	<u>202,383</u>	<u>197,968</u>
	<u>297,453</u>	<u>397,703</u>
Total assets	<u>\$136,807,429</u>	<u>\$130,171,265</u>

LIABILITIES AND NET ASSETS

	<u>2019</u>	<u>2018</u>
Current liabilities:		
Accounts payable and accrued expenses	\$ 7,417,770	\$ 6,631,553
Accrued payroll and amounts withheld	2,234,302	2,197,969
Estimated third-party payor settlements (note 3)	19,551,812	17,828,486
Current portion of long-term debt and capital lease obligations	<u>777,725</u>	<u>717,483</u>
Total current liabilities	29,981,609	27,375,491
Long-term debt and capital lease obligations, less current portion (note 8)	23,550,598	23,704,690
Interest rate swap agreements (notes 8 and 16)	<u>3,028,761</u>	<u>1,177,576</u>
Total liabilities	56,560,968	52,257,757
Commitments and contingencies (note 12)		
Net assets:		
Without donor restrictions	66,538,580	64,496,464
With donor restrictions (note 9)	<u>13,707,881</u>	<u>13,417,044</u>
Total net assets	80,246,461	77,913,508
	<hr/>	<hr/>
Total liabilities and net assets	<u>\$136,807,429</u>	<u>\$130,171,265</u>

See accompanying notes.

THE MONADNOCK COMMUNITY HOSPITAL

STATEMENTS OF OPERATIONS

Years Ended September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Unrestricted revenue and other support:		
Net patient service revenue, net of contractual allowances and discounts, before disproportionate share funding (notes 3 and 10)	\$85,434,255	\$ 82,827,389
Disproportionate share funding (notes 3 and 10)	<u>4,325,004</u>	<u>4,100,348</u>
Net patient service revenue, before provision for bad debts	89,759,259	86,927,737
Provision for bad debts (note 10)	<u>(4,959,196)</u>	<u>(4,966,097)</u>
Net patient service revenue, less provision for bad debts	84,800,063	81,961,640
Other revenue	5,634,597	6,024,480
Net assets released from restrictions for operations (note 9)	<u>351,019</u>	<u>349,362</u>
Total unrestricted revenue and other support	90,785,679	88,335,482
Expenses (note 14):		
Salaries and benefits (note 11)	46,412,326	44,398,572
Supplies and other (note 12)	35,079,595	34,011,294
Insurance (note 12)	513,476	515,518
Depreciation and amortization (note 7)	4,469,830	4,388,428
Interest (note 8)	1,030,574	1,078,378
New Hampshire Medicaid enhancement tax (note 3)	<u>4,035,270</u>	<u>3,613,664</u>
Total expenses	<u>91,541,071</u>	<u>88,005,854</u>
(Loss) income from operations	(755,392)	329,628
Nonoperating gains (losses):		
Investment income, net	1,351,735	6,797,853
Contributions without donor restrictions, net of fundraising expenses	(61,085)	68,228
Other expense	<u>(1,109,599)</u>	<u>(285,346)</u>
Nonoperating gains, net	<u>181,051</u>	<u>6,580,735</u>
(Deficiency) excess of revenue, support and nonoperating gains over expenses	(574,341)	6,910,363
Net unrealized gains (losses) on investments (note 6)	4,189,684	(103,293)
(Decrease) increase in fair value of interest rate swap agreements, qualifying as hedges (notes 8 and 16)	(1,851,185)	816,425
Net assets released from restrictions used to purchase property and equipment	<u>277,958</u>	<u>415,851</u>
Increase in net assets without donor restrictions	\$ <u>2,042,116</u>	\$ <u>8,039,346</u>

See accompanying notes.

THE MONADNOCK COMMUNITY HOSPITAL

STATEMENTS OF CHANGES IN NET ASSETS

Years Ended September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Net assets without donor restrictions:		
(Deficiency) excess of revenue, support and nonoperating gains over expenses	\$ (574,341)	\$ 6,910,363
Net unrealized gains (losses) on investments (note 6)	4,189,684	(103,293)
(Decrease) increase in fair value of interest rate swap agreements, qualifying as hedges (notes 8 and 16)	(1,851,185)	816,425
Net assets released from restrictions used to purchase property and equipment	<u>277,958</u>	<u>415,851</u>
Increase in net assets without donor restrictions	2,042,116	8,039,346
Net assets with donor restrictions:		
Donor-restricted contributions	169,256	493,404
Investment income, net	708,419	1,091,645
Change in perpetual trusts (note 6)	42,139	320,168
Net assets released from restrictions for operations (note 9)	(351,019)	(349,362)
Net assets released from restrictions used to purchase property and equipment	<u>(277,958)</u>	<u>(415,851)</u>
Increase in net assets with donor restrictions	<u>290,837</u>	<u>1,140,004</u>
Increase in net assets	2,332,953	9,179,350
Net assets, beginning of year	<u>77,913,508</u>	<u>68,734,158</u>
Net assets, end of year	<u>\$80,246,461</u>	<u>\$77,913,508</u>

See accompanying notes.

THE MONADNOCK COMMUNITY HOSPITAL

STATEMENTS OF CASH FLOWS

Years Ended September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Increase in net assets	\$ 2,332,953	\$ 9,179,350
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	4,469,830	4,388,428
Bond issuance costs amortization	25,177	22,546
Realized and unrealized gains on investments and perpetual trusts, net	(5,032,565)	(7,162,444)
Change in fair value of interest rate swap agreements	1,851,185	(816,425)
Decrease in interest rate swap loan	(48,000)	(48,000)
Provision for bad debts	4,959,196	4,966,097
Restricted contributions and investment income	(877,675)	(559,420)
Changes in operating assets and liabilities:		
Accounts receivable	(4,393,658)	(5,672,611)
Inventories	83,857	4,052
Prepaid expenses	85,568	(149,965)
Notes and other receivables	(100,027)	132,289
Other assets	(4,415)	(4,459)
Accounts payable and accrued expenses	786,217	121,395
Accrued payroll and amounts withheld	36,333	101,277
Estimated third-party payor settlements	<u>1,723,326</u>	<u>63,320</u>
Net cash provided by operating activities	5,897,302	4,565,430
Cash flows from investing activities:		
Purchases of property and equipment	(3,920,932)	(4,724,538)
Proceeds on sale of investments	333,401	30,652,397
Purchases of investments	<u>(1,513,196)</u>	<u>(36,546,185)</u>
Net cash used by investing activities	(5,100,727)	(10,618,326)
Cash flows from financing activities:		
Principal payments on long-term debt and capital lease obligations	(713,218)	(689,297)
Bond issuance costs	104,218	(118,989)
Restricted contributions and investment income	<u>983,025</u>	<u>700,219</u>
Net cash provided (used) by financing activities	<u>374,025</u>	<u>(108,067)</u>
Net increase (decrease) in cash and cash equivalents	1,170,600	(6,160,963)
Cash and cash equivalents at beginning of year	<u>12,271,683</u>	<u>18,432,646</u>
Cash and cash equivalents at end of year	<u>\$ 13,442,283</u>	<u>\$ 12,271,683</u>
Noncash financing activities:		
Financing of equipment with capital leases	\$ <u>537,973</u>	\$ <u>—</u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	<u>\$ 1,005,397</u>	<u>\$ 1,055,832</u>

See accompanying notes.

THE MONADNOCK COMMUNITY HOSPITAL

NOTES TO FINANCIAL STATEMENTS

September 30, 2019 and 2018

1. **Description of Organization and Summary of Significant Accounting Policies**

Organization

The Monadnock Community Hospital (the Hospital) is a not-for-profit, acute care hospital located in Peterborough, New Hampshire.

On December 30, 2016, the Hospital became affiliated with Catholic Medical Center (CMC), a 330-bed acute care hospital in Manchester, New Hampshire, and Huggins Hospital (HH), a 25-bed critical access hospital in Wolfeboro, New Hampshire, through the formation of a common parent, GraniteOne Health (GraniteOne). GraniteOne is a New Hampshire voluntary corporation that is recognized as being a Section 501(c)(3) tax-exempt and "supporting organization" within the meaning of Section 509(a)(3) of the Internal Revenue Code of 1986, as amended (the Code). GraniteOne serves as the sole member of the Hospital and HH and co-member of CMC, along with CMC Healthcare System, Inc. GraniteOne is governed by a thirteen member Board of Trustees appointed by each of the respective hospitals within the GraniteOne system. The GraniteOne Board of Trustees governs the GraniteOne system through the existence and execution of reserved powers to approve certain actions by the Boards of Trustees of each of the hospitals. Through GraniteOne, this more integrated healthcare system enhances the affiliated hospitals' ability to coordinate the delivery of patient care, implement best practices, eliminate inefficiencies and collaborate on regional planning. These efforts strengthen the hospitals' ability to meet the healthcare needs of their respective communities and provide for a more seamless patient experience across the continuum of care. The accompanying financial statements do not include the accounts and activity of GraniteOne, HH and CMC.

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

THE MONADNOCK COMMUNITY HOSPITAL

NOTES TO FINANCIAL STATEMENTS

September 30, 2019 and 2018

1. **Description of Organization and Summary of Significant Accounting Policies (Continued)**

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

Basis of Accounting

The accompanying financial statements have been prepared on an accrual basis of accounting.

Use of Estimates

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

Cash and Cash Equivalents

Cash and cash equivalents include all demand deposit accounts and investments with original maturities of three months or less when purchased, excluding assets limited as to use. The Hospital maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Hospital has not experienced any losses on such accounts.

Accounts Receivable and the Allowance for Doubtful Accounts

Accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectibility of accounts receivable, the Hospital analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. For receivables associated with services provided to patients who have third-party coverage, the Hospital analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payor has not yet paid, or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely). For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Hospital records a provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

THE MONADNOCK COMMUNITY HOSPITAL

NOTES TO FINANCIAL STATEMENTS

September 30, 2019 and 2018

1. Description of Organization and Summary of Significant Accounting Policies (Continued)

Inventories

Inventories of supplies and pharmaceuticals are carried at the lower of cost or net realizable value. Costs are determined on the first-in, first-out (FIFO) basis.

Assets Limited as to Use

Assets limited as to use include assets held by trustees under indenture agreements, designated assets set aside by the Board of Trustees, over which the Board retains control and may, at its discretion, subsequently use for other purposes, and donor-restricted investments.

Investments

Investments are carried at fair value in the accompanying balance sheets. Investment income (including realized gains and losses on investments, interest and dividends) is included in the (deficiency) excess of revenue, support and nonoperating gains over expenses unless the income is restricted by donor or law, in which case it is reported as an increase or decrease in net assets with donor restrictions. Gains and losses on investments are computed on a specific identification basis, however, mutual fund realized gains and losses are determined on the average cost method. Unrealized gains and losses on investments are excluded from the (deficiency) excess of revenue, support and nonoperating gains over expenses unless losses are considered other-than-temporary. Periodically, management reviews investments for which the market value has fallen significantly below cost and recognizes impairment losses where they believe the declines are other-than-temporary.

Property and Equipment

Property and equipment, including the medical office building, is stated at cost or, if donated, at fair value at the date of donation, less accumulated depreciation. The Hospital's policy is to capitalize expenditures for major improvements and charge maintenance and repairs currently for expenditures which do not extend the life of the related assets. When assets are retired or disposed of, the assets and related accumulated depreciation are eliminated from the accounts and any resulting gain or loss is reflected in the accompanying statements of operations.

Depreciation is computed using the straight-line method in a manner intended to amortize the cost of the assets over their estimated useful lives. Costs of construction and acquisition of assets not yet placed in service are included in capital improvements and no depreciation expense is recorded.

Bond Issuance Costs

Bond issuance costs are being amortized to interest expense using straight-line method, which approximates the effective interest method, over the life of the respective bonds. Bond issuance costs are presented as a component of long-term debt.

THE MONADNOCK COMMUNITY HOSPITAL

NOTES TO FINANCIAL STATEMENTS

September 30, 2019 and 2018

1. Description of Organization and Summary of Significant Accounting Policies (Continued)

Earned Time

The Hospital provides and accrues for paid time off for vacation, holiday and sick leave under an earned time system for nonexempt employees. Hours earned, but not used, are capped and vested with the employee.

Net Assets With Donor Restrictions

Gifts are reported as restricted support if they are received with donor stipulations that limit the use of donated assets. Donated investments, supplies and equipment are reported at fair value at the date of receipt. Unconditional promises to give cash and other assets are reported at fair value at the date of the receipt of the promise. When a donor restriction expires (when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statement of operations as either net assets released from restrictions (for noncapital related items) or as net assets released from restrictions to purchase property and equipment (capital related items). Some net assets with donor restrictions have been restricted by donors to be maintained by the Hospital in perpetuity.

Except for contributions related to capital purchases, donor-restricted contributions whose restrictions are met within the same year as received are reported as contributions within net assets without donor restrictions in the accompanying financial statements.

Endowment, Investment and Spending Policies

In accordance with the *Uniform Prudent Management of Institutional Funds Act* (UPMIFA), the Hospital considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (a) the duration and preservation of the fund; (b) the purpose of the organization and the donor-restricted endowment fund; (c) general economic conditions; (d) the possible effect of inflation and deflation; (e) the expected total return from income and the appreciation of investments; (f) other resources of the organization; and (g) the investment policies of the organization.

The Hospital's investment policies provide guidance for the prudent and skillful management of invested assets with the objective of preserving capital and maximizing returns. The invested assets include endowment, specific purpose and board designated (unrestricted) funds.

Endowment funds are identified as perpetual in nature, intended to provide support for current or future operations and other purposes identified by the donor. These funds are managed with disciplined longer-term investment objectives and strategies designed to accommodate relevant, reasonable, or probable events. The Finance Committee of the Board of Trustees of the Hospital determines the method to be used to appropriate endowment funds for expenditure. As a guideline, approximately 4% of the total value of the three year quarterly average of available funds is intended to be distributed annually. The Finance Committee has the ability to distribute up to 5.99% of the total market value of the three-year quarterly average of available funds. Distributions of 6% or over must be approved by a vote of the Board of Trustees. The corresponding calculated spending allocations are distributed in equal quarterly installments from the current net total or accumulated net total investment returns for individual endowment funds. In establishing this policy, the Board of Trustees considered the expected long term rate of return on its endowment.

THE MONADNOCK COMMUNITY HOSPITAL

NOTES TO FINANCIAL STATEMENTS

September 30, 2019 and 2018

1. **Description of Organization and Summary of Significant Accounting Policies (Continued)**

Specific purpose funds are temporary in nature, restricted as to time or purpose as identified by the donor or grantor. These funds have various intermediate/long-term time horizons associated with specific identified spending objectives.

Board designated funds have various intermediate/long-term time horizons associated with specific spending objectives as determined by the Board of Trustees.

Management of these assets is to increase, with minimum risk, the inflation adjusted principal and income of the endowment funds over the long term. The Hospital targets a diversified asset allocation that places emphasis on achieving its long-term return objectives within prudent risk constraints.

(Deficiency) Excess of Revenue, Support and Nonoperating Gains Over Expenses

The accompanying statements of operations include (deficiency) excess of revenue, support and nonoperating gains over expenses. Changes in net assets without donor restrictions which are excluded from (deficiency) excess of revenue, support and nonoperating gains over expenses, consistent with industry practice, include net assets released from restrictions used for the purposes of acquiring long-lived assets, net unrealized gains/losses on investments and the changes in the fair value of interest rate swap agreements deemed to be effective hedges.

Net Patient Service Revenue

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Changes in these estimates are reflected in the accompanying financial statements in the year in which they occur. During 2019 and 2018, net patient service revenue in the accompanying statements of operations increased approximately \$1,088,000 and \$641,000, respectively, due to changes in prior year estimates. Services rendered to individuals from whom payment is expected and ultimately not received is written off and included as part of the provision for bad debts.

The Hospital recognizes patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the services rendered. For uninsured patients, the Hospital provides a discount approximately equal to that of its largest private insurance payors. On the basis of historical experience, a significant portion of the Hospital's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Hospital records a significant provision for bad debts related to uninsured patients in the period the services are provided.

Activities directly associated with services related to acute and ancillary care services are considered to be operating activities and are included as patient service revenue. Revenue which is not related to patient medical care and which is normal to the day-to-day operations of the Hospital is included in other revenue.

THE MONADNOCK COMMUNITY HOSPITAL

NOTES TO FINANCIAL STATEMENTS

September 30, 2019 and 2018

1. **Description of Organization and Summary of Significant Accounting Policies (Continued)**

Financial Assistance Program

The Hospital accepts all patients regardless of their ability to pay. A patient is classified as a financial assistance patient by reference to certain established policies of the Hospital. Essentially, these policies define the financial assistance program as those services for which no payment is anticipated. In assessing a patient's inability to pay, the Hospital utilizes federally established poverty guidelines. The financial assistance program is measured based on the Hospital's established rates. These charges are not included in net patient service revenue. The costs and expenses incurred in providing these services are included in operating expenses. The cost is estimated by utilizing a ratio of cost to gross charges applied to the gross uncompensated charges associated with providing charity care. See note 15.

Self-Insurance Programs

The Hospital self-insures its employee health and dental benefits and has estimated and accrued amounts to meet its expected obligations under the program. The plan is administered by an insurance company which assists in determining the current funding requirements of participants under the terms of the plan and the liability for claims and assessments that would be payable at any given point in time. The Hospital recognizes revenue for services provided to employees of the Hospital during the year. Stop loss insurance coverage is in effect which mitigates the Hospital's exposure to loss on an individual and aggregate basis. Estimated unpaid claims, and those claims incurred but not reported at September 30, 2019 and 2018, have been recorded as a liability of approximately \$410,000 and \$300,000, respectively, within accrued payroll and amounts withheld in the accompanying balance sheets.

Functional Expense Allocation

The costs of providing program services and other activities have been summarized on a functional basis in Note 14. Accordingly, costs have been allocated among program services and supporting services benefitted.

Income Taxes

The Hospital is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code (the Code) and is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. Management evaluated the Hospital's tax positions and concluded the Hospital has maintained its tax-exempt status, does not have any significant unrelated business income and had taken no uncertain tax positions that require adjustment to or disclosure in the accompanying financial statements.

Advertising Costs

The Hospital expenses advertising costs as incurred, and such costs totaled approximately \$53,000 and \$83,000 for the years ended September 30, 2019 and 2018, respectively.

THE MONADNOCK COMMUNITY HOSPITAL

NOTES TO FINANCIAL STATEMENTS

September 30, 2019 and 2018

1. Description of Organization and Summary of Significant Accounting Policies (Continued)

Derivatives and Hedging Activities

The interest rate swap agreements held by the Hospital meet the definition of derivative instruments and, consequently, the Hospital is required to record as an asset or liability the fair value of the interest rate swap agreements described in Note 8. The Hospital is exposed to repayment loss equal to any net amounts receivable under the swap agreements (not the notional amounts) in the event of nonperformance of the other parties to the swap agreements. However, the Hospital does not anticipate nonperformance and does not obtain collateral from the other parties.

Related Party Activity

The Hospital has engaged in various transactions with GraniteOne and CMC. The Hospital recognized revenue from these related parties of approximately \$378,000 and \$340,000 for the years ended September 30, 2019 and 2018, respectively, which amounts are reflected in other revenue in the accompanying statements of operations. The Hospital also incurred expenses to these related parties of approximately \$3.5 million and \$3.1 million for the years ended September 30, 2019 and 2018, respectively, of which \$2.9 million and \$3.1 million, respectively, is reflected within operating expenses. Additionally, approximately \$600,000 in related party expenses is reflected within nonoperating gains (losses) in the accompanying statement of operations for the year ended September 30, 2019. These transactions resulted in a net amount due to related parties of approximately \$885,000 and \$187,000 at September 30, 2019 and 2018, respectively, which amounts are reflected within accounts payable and accrued expenses in the accompanying balance sheets.

Recent Accounting Pronouncements

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958)* (ASU 2016-14) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. ASU 2016-14 is effective for the Hospital for the year ended September 30, 2019. The Hospital has adjusted the presentation of these financial statements and related footnotes accordingly. The ASU has been applied retrospectively to all periods presented. The adoption of ASU 2016-14 had no impact to changes in net assets or total net assets in 2019 or 2018.

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers* (ASU 2014-09), which requires revenue to be recognized when promised goods or services are transferred to customers in amounts that reflect the consideration to which the Hospital expects to be entitled in exchange for those goods and services. ASU 2014-09 will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective. ASU 2014-09 is effective for the Hospital on October 1, 2019. ASU 2014-09 permits the use of either the retrospective or cumulative effect transition method. The Hospital is evaluating the impact that ASU 2014-09 will have on its revenue recognition policies, but does not expect the new pronouncement will have a material impact on its financial statements.

THE MONADNOCK COMMUNITY HOSPITAL

NOTES TO FINANCIAL STATEMENTS

September 30, 2019 and 2018

1. **Description of Organization and Summary of Significant Accounting Policies (Continued)**

In January 2016, the FASB issued ASU No. 2016-01, *Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities* (ASU 2016-01). The amendments in ASU 2016-01 address certain aspects of recognition, measurement, presentation and disclosure of financial instruments. ASU 2016-01 is effective for the Hospital for the year ended September 30, 2020, with early adoption permitted. The Hospital is currently evaluating the impact that ASU 2016-01 will have on its financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)* (ASU 2016-02). Under ASU 2016-02, at the commencement of a long-term lease, lessees will recognize a liability equivalent to the discounted payments due under the lease agreement, as well as an offsetting right-of-use asset. ASU 2016-02 is effective for the Hospital on October 1, 2021, with early adoption permitted. Lessees (for capital and operating leases) must apply a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. The modified retrospective approach would not require any transition accounting for leases that expired before the earliest comparative period presented. Lessees may not apply a full retrospective transition approach. The Hospital is currently evaluating the impact of the pending adoption of ASU 2016-02 on the Hospital's financial statements.

In November 2016, the FASB issued ASU No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash (a consensus of the FASB Emerging Issues Task Force)* (ASU 2016-18), which provides guidance on the presentation of restricted cash or restricted cash equivalents in the statement of cash flows. ASU 2016-18 will be effective for the Hospital's fiscal year ended September 30, 2020, and early adoption is permitted. ASU 2016-18 must be applied using a retrospective transition method. The Hospital is currently evaluating the impact of the adoption of this guidance on its financial statements.

In June 2018, the FASB issued ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (ASU 2018-08). Due to diversity in practice, ASU 2018-08 clarifies the definition of an exchange transaction as well as the criteria for evaluating whether contributions are unconditional or conditional. ASU 2018-08 is effective for the Hospital on October 1, 2019, with early adoption permitted. The Hospital is currently evaluating the impact that ASU 2018-08 will have on its financial statements.

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement* (ASU 2018-13). The amendments in this ASU modify the disclosure requirements for fair value measurements for Level 3 assets and liabilities, and eliminate the requirement to disclose transfers between Levels 1 and 2 of the fair value hierarchy, among other modifications. ASU 2018-13 is effective for the Hospital on October 1, 2020, with early adoption permitted. The Hospital is currently evaluating the impact that ASU 2018-13 will have on its financial statements.

Subsequent Events

Management has evaluated subsequent events occurring between the end of its fiscal year and January 21, 2020, the date the financial statements were available to be issued.

THE MONADNOCK COMMUNITY HOSPITAL

NOTES TO FINANCIAL STATEMENTS

September 30, 2019 and 2018

2. Accounts Receivable

Accounts receivable are stated net of estimated contractual allowances and allowances for doubtful accounts. Accounts receivable consists of the following at September 30:

	<u>2019</u>	<u>2018</u>
Gross accounts receivable	\$23,422,989	\$24,239,257
Estimated contractual allowances	(7,681,727)	(8,305,416)
Estimated allowance for doubtful accounts	<u>(6,833,581)</u>	<u>(6,460,622)</u>
Accounts receivable, net	<u>\$ 8,907,681</u>	<u>\$ 9,473,219</u>

The Hospital's allowance for doubtful accounts decreased from 91% of self-pay accounts receivable at September 30, 2018 to 89% of self-pay accounts receivable at September 30, 2019. The Hospital's bad debt writeoffs decreased \$174,645 from \$4,713,049 in 2018 to \$4,538,404 in 2019. The decrease in bad debt writeoffs was primarily a result of collection trends.

3. Estimated Third-Party Settlements

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

Medicare

The Hospital was granted critical access hospital (CAH) designation on December 27, 2004. As a result of this designation, the Hospital is entitled to cost-based reimbursement from Medicare for services provided to Medicare beneficiaries. Inpatient acute care services rendered to Medicare program beneficiaries are paid under a cost reimbursement methodology. Outpatient services are paid based on a combination of rate schedules and reimbursed cost. The Hospital is reimbursed for cost reimbursable items at an interim rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare fiscal intermediary. As of the date of these financial statements, the Hospital's Medicare cost reports have been settled through September 30, 2015.

Medicaid

Inpatient and outpatient services rendered to Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology subject to certain limitations. The Hospital is reimbursed at an interim rate with final settlement determined after submission of annual costs reported by the Hospital and audits thereof by the State of New Hampshire Division of Audit. As of the date of these financial statements, the Hospital's Medicaid cost reports have been final settled through September 30, 2013.

THE MONADNOCK COMMUNITY HOSPITAL

NOTES TO FINANCIAL STATEMENTS

September 30, 2019 and 2018

3. Estimated Third-Party Settlements (Continued)

Anthem

Inpatient and outpatient services rendered to Anthem subscribers are reimbursed at submitted charges less a discount withholding or through a per diem or fee schedule. The amounts paid to the Hospital are not subject to any retroactive adjustments.

Other

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

The Hospital has made a provision in the financial statements for estimated final settlements to be paid as a result of the retroactive provision for third-party reimbursement programs. Actual results could differ from those estimates.

Medicaid Enhancement Tax and Medicaid Disproportionate Share

Under the State of New Hampshire's tax code, the State imposes a MET equal to 5.4% of net patient service revenue in State fiscal years 2019 and 2018, with certain exclusions. The amount of tax incurred by the Hospital for fiscal 2019 and 2018 was \$4,035,270 and \$3,613,664, respectively. The Hospital has accrued \$1,022,102 and \$948,566 in MET at September 30, 2019 and 2018, respectively, within accounts payable and accrued expenses in the accompanying balance sheets.

In the fall of 2010, in order to remain in compliance with stated federal regulations, the State of New Hampshire adopted a new approach related to Medicaid disproportionate share funding (DSH) retroactive to July 1, 2010. Unlike the former funding method, the State's approach led to a payment that was not directly based on, and did not equate to, the level of tax imposed. As a result, the legislation created some level of losses at certain New Hampshire hospitals, while other hospitals realized gains. In 2019 and 2018, the Hospital recognized disproportionate share revenues (net of related reserves) totaling \$4,325,004 and \$4,100,348, respectively, in the accompanying statements of operations. Currently, the State of New Hampshire makes disproportionate share hospital payments to support up to 75% of the actual uncompensated care costs for New Hampshire's hospitals with critical access designation.

CMS has completed audits of the State's program and the DSH payments made by the State from 2011 through 2014, the first years that those payments reflected the amount of uncompensated care provided by New Hampshire hospitals. It is possible that subsequent years will also be audited by CMS. The Hospital has recorded reserves to address its potential exposure based on the audit results to date or any future redistributions.

THE MONADNOCK COMMUNITY HOSPITAL

NOTES TO FINANCIAL STATEMENTS

September 30, 2019 and 2018

4. Concentration of Credit Risk

Financial instruments which subject the Hospital to credit risk consist of cash and cash equivalents, accounts receivable and investments. The risk with respect to cash equivalents is minimized by the Hospital's policy of investing in financial instruments with short-term maturities issued by highly rated financial institutions. Investments that exceeded 10% of investments include the Vanguard Total Stock Market Index Fund and the Vanguard Total International Stock Index Fund as of September 30, 2019 and 2018.

The Hospital grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The Hospital's accounts receivable are primarily due from third-party payors, and amounts are presented net of expected contractual allowances and uncollectible amounts. The mix of gross patient accounts receivable at September 30, 2019 and 2018 was as follows:

	<u>2019</u>	<u>2018</u>
Medicare	31%	33%
Medicaid	5	4
Anthem	9	10
Other third-party payors	25	28
Patients	<u>30</u>	<u>25</u>
	<u>100%</u>	<u>100%</u>

5. Pledges Receivable

Pledges receivable consist of unconditional promises for contributions receivable in subsequent years. The following represents amounts promised to be contributed to the Hospital during the years ended September 30:

	<u>2019</u>	<u>2018</u>
In one year or less	\$ 202,053	\$ 207,967
Between one and five years	<u>225,000</u>	<u>325,121</u>
	427,053	533,088
Present value discount	(27,346)	(39,759)
Allowance for uncollectible pledges (\$106,815 and \$112,044 of which is allocated to the current portion of pledges receivable at September 30, 2019 and 2018, respectively)	<u>(209,399)</u>	<u>(197,671)</u>
	\$ <u>190,308</u>	\$ <u>295,658</u>

THE MONADNOCK COMMUNITY HOSPITAL

NOTES TO FINANCIAL STATEMENTS

September 30, 2019 and 2018

6. Assets Limited as to Use and Restricted Funds

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

	<u>2019</u>	<u>2018</u>
Board designated, donor restricted and long-term investments:		
Cash and cash equivalents	\$ 1,216,991	\$ 1,038,519
Marketable equity securities	33,844,646	29,504,809
Mutual funds	32,815,296	31,116,523
U.S. Treasury obligations	996,372	1,043,233
Interests in perpetual trusts	<u>4,862,084</u>	<u>4,819,945</u>
	<u>\$73,735,389</u>	<u>\$67,523,029</u>

Assets limited as to use are comprised of the following at September 30:

	<u>2019</u>	<u>2018</u>
Board designated for capital, working capital and community services	\$60,217,816	\$54,401,643
Donor-restricted	<u>13,517,573</u>	<u>13,121,386</u>
	<u>\$73,735,389</u>	<u>\$67,523,029</u>

As a result of bequests, the Hospital is the beneficiary of two trust funds, one of which is administered by an outside trustee and the other administered by the Hospital. The terms of the perpetual trusts require that income or a percentage of income be paid to the Hospital in perpetuity; however, distribution of principal is not permitted under the terms of the trusts. The amounts recorded in the accompanying balance sheets represent the fair values of the assets upon notification of the trusts' existence, which are adjusted annually to reflect the appreciation or depreciation in the fair value of the assets. Offsetting amounts are included in net assets with donor restrictions. Income distributed to the Hospital from these trusts is included in the accompanying statements of operations as investment income.

The following table summarizes the aggregate unrealized losses on investments held at September 30, 2019 and 2018:

	<u>Less Than 12 Months</u>		<u>12 Months or Longer</u>		<u>Total</u>	
	<u>Fair Value</u>	<u>Unrealized Losses</u>	<u>Fair Value</u>	<u>Unrealized Losses</u>	<u>Fair Value</u>	<u>Unrealized Losses</u>
<u>2019</u>						
Marketable equity securities	\$ —	\$ —	\$ 547,715	\$ (1,258)	\$ 547,715	\$ (1,258)
Mutual funds	28,051	(3,976)	6,316,341	(862,137)	6,344,392	(866,113)
Fixed income	<u>—</u>	<u>—</u>	<u>199,531</u>	<u>(1,250)</u>	<u>199,531</u>	<u>(1,250)</u>
	<u>\$ 28,051</u>	<u>\$ (3,976)</u>	<u>\$ 7,063,587</u>	<u>\$ (864,645)</u>	<u>\$ 7,091,638</u>	<u>\$ (868,621)</u>

THE MONADNOCK COMMUNITY HOSPITAL

NOTES TO FINANCIAL STATEMENTS

September 30, 2019 and 2018

6. Assets Limited as to Use and Restricted Funds (Continued)

	<u>Less Than 12 Months</u>		<u>12 Months or Longer</u>		<u>Total</u>	
	<u>Fair</u>	<u>Unrealized</u>	<u>Fair</u>	<u>Unrealized</u>	<u>Fair</u>	<u>Unrealized</u>
	<u>Value</u>	<u>Losses</u>	<u>Value</u>	<u>Losses</u>	<u>Value</u>	<u>Losses</u>
<u>2018</u>						
Marketable equity						
securities	\$ 1,047,737	\$ (90,250)	\$ —	\$ —	\$ 1,047,737	\$ (90,250)
Mutual funds	16,150,652	(870,927)	—	—	16,150,652	(870,927)
Fixed income	<u>391,215</u>	<u>(4,636)</u>	<u>552,832</u>	<u>(20,239)</u>	<u>944,047</u>	<u>(24,875)</u>
	<u>\$17,589,604</u>	<u>\$ (965,813)</u>	<u>\$ 552,832</u>	<u>\$ (20,239)</u>	<u>\$18,142,436</u>	<u>\$ (986,052)</u>

Unrealized losses within marketable equity securities of \$1,258 at September 30, 2019, due mainly to market fluctuations, consists of one security, which had unrealized losses for more than twelve months. Unrealized losses within mutual funds of \$866,113 at September 30, 2019, due mainly to market fluctuations, consist of four funds, three of which had unrealized losses for more than twelve months. Other unrealized losses in the Hospital's fixed income portfolio of \$1,250 at September 30, 2019 consist of two funds, both of which had unrealized losses for more than twelve months, and are attributed to market fluctuations and the impact movements in market interest rates have had in comparison to the underlying yields on these securities.

Management of the Hospital, in addition to considering current trends and economic conditions that may affect the quality of individual securities within the Hospital's investment portfolio, also considers the Hospital's ability and intent to hold such securities to maturity or recovery. Management does not believe any of the Hospital's securities with unrealized losses as described above are other than temporarily impaired at September 30, 2019 and 2018.

7. Property and Equipment

Property and equipment consists of the following at September 30:

	<u>2019</u>	<u>2018</u>
Land and land improvements	\$ 4,686,848	\$ 4,686,848
Building and building improvements	29,157,921	28,242,378
Equipment, including capital leases	61,208,473	59,374,059
Capital improvements in progress	<u>1,394,124</u>	<u>1,114,597</u>
	96,447,366	93,417,882
Less accumulated depreciation and amortization	<u>(60,457,341)</u>	<u>(57,511,929)</u>
	<u>\$ 35,990,025</u>	<u>\$ 35,905,953</u>

The cost of assets recorded under capital leases totaled \$537,973 and \$679,756 at September 30, 2019 and 2018, respectively. The cost of these assets has been included with property and equipment, and accumulated amortization included with accumulated depreciation. Accumulated amortization associated with assets recorded under capital leases was \$84,992 and \$600,451 at September 30, 2019 and 2018, respectively.

THE MONADNOCK COMMUNITY HOSPITAL

NOTES TO FINANCIAL STATEMENTS

September 30, 2019 and 2018

8. Long-Term Debt and Capital Lease Obligations

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

	<u>2019</u>	<u>2018</u>
New Hampshire Business Finance Authority (NHBFA) in conjunction with Revenue Bonds Series 2013 with variable rate interest, amended and restated as of June 27, 2018, as described below	\$23,827,318	\$24,399,669
Interest rate swap loan (see below)	44,000	92,000
Capital lease obligation with interest rate of 3.25%, due in monthly installments of \$12,290, matured in May 2019, collateralized by equipment (note 7)	—	97,132
Capital lease obligations with interest rates of 5.25%, due in monthly installments ranging from \$5,680 to \$7,495, maturity dates ranging from April 2022 to October 2023, collateralized by equipment (note 7)	<u>494,238</u>	<u>—</u>
	24,365,556	24,588,801
Less unamortized bond issuance costs	(37,233)	(166,628)
Less current portion	<u>(777,725)</u>	<u>(717,483)</u>
	<u>\$23,550,598</u>	<u>\$23,704,690</u>

On January 1, 2013, the Hospital refinanced its existing 2007 Series Bonds outstanding in the amount of \$17,810,000 and its 2009 Series Bonds outstanding in the amount of \$9,424,908 through the issuance of \$27,240,000 in 2013 Series Bonds with NHBFA. The initial interest rate on the bonds through January 1, 2023 was a variable rate equal to 75% of the one-month LIBOR plus 1.3125%. The final maturity of the bonds was January 1, 2043 and on January 1, 2023, the bonds were required to be remarketed upon a stipulated mandatory redemption.

On June 27, 2018, the 2013 Series Revenue Bonds with NHBFA were amended and restated. The original bonds were exchanged for amended bonds and the original bond issuance was cancelled. The amended 2013 Series Bonds with NHBFA were issued in the amount of \$24,584,872, which was the amount of the outstanding balance of the original 2013 Series Bonds at the time of closing. The initial interest rate on the amended bonds through July 1, 2028 is a variable rate equal to 81.5% of the one-month LIBOR plus 1.45%. The interest rate at September 30, 2019 was 2.89%. The final maturity of the amended bonds remained January 1, 2043. On January 1, 2028, the amended bonds must be remarketed upon a stipulated mandatory redemption. The Hospital is also required to comply with certain financial and other covenants and has granted as security all gross receipts, together with all real and personal property, as defined. The amended Series 2013 Bonds require the same debt service payments as the original 2013 Series Bonds with payments ranging from \$408,605 to \$1,589,792 per year.

THE MONADNOCK COMMUNITY HOSPITAL

NOTES TO FINANCIAL STATEMENTS

September 30, 2019 and 2018

8. Long-Term Debt and Capital Lease Obligations (Continued)

Concurrent with the 2007 NHBFA bond issuance, the Hospital executed an interest rate swap agreement to hedge its exposure to the volatility of interest payments on a portion of its variable rate Series 2007 Revenue Bonds. During 2013, the Series 2007 Revenue Bonds were refinanced through the issuance of Series 2013 Revenue Bonds, as previously discussed. All existing terms of the swap remained in effect. At September 30, 2019, an interest rate swap agreement was outstanding at a notional amount totaling approximately \$8.5 million. The swap agreement hedged the Hospital's interest exposure by effectively converting interest payments from variable rates to a fixed rate of 3.57%. The swap agreement, which expires in October 2033, is designated as a cash flow hedge of the underlying variable rate interest payments, and changes in the fair value of the swap agreement are reported as a change in net assets without donor restrictions. The swap agreement had a fair value of \$(1,590,552) and \$(1,005,561) as of September 30, 2019 and 2018, respectively.

The Hospital had another interest rate swap agreement with a financial institution, which was originally issued in connection with the 2004 New Hampshire Health and Education Facilities Authority (NHHEFA) bonds, which were refunded during 2008. During 2010, the Hospital replaced this 2004 swap agreement with a new 2010 swap agreement that effectively hedged a portion of the 2007 NHBFA bonds. This newly issued swap agreement contained an additional interest rate spread, which in turn provided that the issuing bank make a cash payment to fund the payoff of the 2004 swap agreement on behalf of the Hospital. Accordingly, the Hospital recognized an interest rate swap loan liability of \$480,000 during 2010, which represents the fair value of the 2004 swap at the time it was replaced. This loan was being amortized by the Hospital over the life of the new swap agreement. As a part of the 2013 Series Bonds amendment previously discussed, this swap agreement was terminated during 2018.

Concurrent with the amended and restated 2013 Series Revenue Bonds, the Hospital executed an interest rate swap agreement effective July 1, 2018 to hedge its exposure to the volatility of interest payments on a portion of its variable rate on the amended and restated 2013 Series Revenue Bonds. At September 30, 2019, an interest rate swap agreement was outstanding at a notional amount totaling approximately \$13.8 million. The swap agreement hedges the Hospital's interest exposure by effectively converting interest payments from variable rates to a fixed rate of 2.64%. The swap agreement, which expires July 1, 2028, is designated as a cash flow hedge of the underlying variable interest payments, and changes in the fair value of the swap agreement are reported as a change in net assets without donor restrictions. The swap agreement had a fair value of \$(1,438,209) and \$(172,015) as of September 30, 2019 and 2018, respectively.

During the year, the Hospital pays or receives the difference between the fixed and variable rates applied to the notional amounts of the above interest rate swap agreements. During 2019 and 2018, such charges were \$214,990 and \$383,554, respectively.

In connection with the amended and restated 2013 Series Revenue Bonds, the Hospital is required to comply with certain restrictive financial covenants including, but not limited to, debt service coverage and debt to equity ratios. At September 30, 2019, the Hospital was in compliance with these restrictive covenants.

THE MONADNOCK COMMUNITY HOSPITAL

NOTES TO FINANCIAL STATEMENTS

September 30, 2019 and 2018

8. Long-Term Debt and Capital Lease Obligations (Continued)

The scheduled maturities on long-term debt for the next five years ending September 30 and thereafter are as follows:

	Long-Term Debt	Capital Lease Obligations	Total
2020 (included in current liabilities)	\$ 642,346	\$135,379	\$ 777,725
2021	625,522	142,660	768,182
2022	653,933	121,683	775,616
2023	683,634	87,053	770,687
2024	714,684	7,463	722,147
Thereafter	<u>20,551,199</u>	<u>—</u>	<u>20,551,199</u>
	<u>\$23,871,318</u>	<u>\$494,238</u>	<u>\$ 24,365,556</u>

The Hospital also has an available \$3,000,000 revolving demand line of credit with a financial institution. The line of credit bears no interest unless drawn at the Hospital's option in which case the rate is equal to the prime rate or 1, 2 or 3 month LIBOR plus 2.5% (5.00% at September 30, 2019). There was no balance outstanding under this agreement at September 30, 2019 or 2018. The line of credit is subject to renewal on May 31, 2020.

9. Net Assets With Donor Restrictions

Net assets with donor restrictions are available for the following purposes at September 30:

	2019	2018
Subject to expenditure for specific purposes:		
Purchase of equipment	\$ 6,522	\$ 6,522
Health education	572,553	550,489
Pledges receivable	<u>190,308</u>	<u>295,658</u>
	769,383	852,669
Restricted endowments:		
General endowment to ensure the Hospital's long-term sustainability, its services and its many community outreach programs	8,076,414	7,744,430
Perpetual trusts (described below)	<u>4,862,084</u>	<u>4,819,945</u>
	<u>\$13,707,881</u>	<u>\$13,417,044</u>

Net assets with donor restrictions of \$4,862,084 and \$4,819,945 at September 30, 2019 and 2018, respectively, are to be held in perpetuity and include two perpetual trusts (Note 6). The income and dividends on net assets held in perpetuity are generally expendable to support health care services and capital purchases at the discretion of the Hospital.

THE MONADNOCK COMMUNITY HOSPITAL

NOTES TO FINANCIAL STATEMENTS

September 30, 2019 and 2018

9. Net Assets With Donor Restrictions (Continued)

All of the Hospital's endowment funds are donor-restricted. The Hospital does not have any board-designated or endowments without donor restrictions at September 30, 2019 and 2018. The endowment net assets as of September 30, 2019 and 2018 are as follows:

	<u>With Donor Restrictions</u>	
	<u>2019</u>	<u>2018</u>
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$4,220,482	\$ 4,220,482
Accumulated investment gains	<u>3,855,932</u>	<u>3,523,948</u>
	<u>\$8,076,414</u>	<u>\$ 7,744,430</u>

Activity in fiscal 2019 and 2018 related to endowment funds was as follows:

	<u>2019</u>	<u>2018</u>
Balances, beginning of year	\$7,744,430	\$ 6,959,490
Investment return, net	735,202	1,148,758
Amounts released under spending policy	(268,104)	(239,649)
Appropriation for expenditure	<u>(135,114)</u>	<u>(124,169)</u>
Balances, end of year	<u>\$8,076,414</u>	<u>\$ 7,744,430</u>

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Hospital has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. At September 30, 2019 and 2018, the Hospital had no underwater endowments.

10. Net Patient Service Revenue

Net patient service revenue, before provision for bad debts, consists of the following for the years ended September 30:

	<u>2019</u>	<u>2018</u>
Gross patient service charges:		
Routine services	\$ 18,013,983	\$ 18,920,316
Ancillary services	<u>149,779,911</u>	<u>143,010,656</u>
	167,793,894	161,930,972
Deductions from revenue:		
Contractual adjustments and administrative write offs	(80,527,322)	(77,370,032)
Financial assistance program	(1,832,317)	(1,733,551)
Disproportionate share funding (note 3)	<u>4,325,004</u>	<u>4,100,348</u>
	<u>(78,034,635)</u>	<u>(75,003,235)</u>
Net patient service revenue, before provision for bad debts	<u>\$ 89,759,259</u>	<u>\$ 86,927,737</u>

THE MONADNOCK COMMUNITY HOSPITAL

NOTES TO FINANCIAL STATEMENTS

September 30, 2019 and 2018

10. Net Patient Service Revenue (Continued)

An estimated breakdown of patient service revenue, net of contractual allowances, discounts and provision for bad debts recognized in 2019 and 2018 from these major payor sources, is as follows:

	Gross Patient Service Revenue	Contractual Allowances and Discounts	Provision for Bad Debts	Net Patient Service Revenue Less Provision for Bad Debts
<u>2019</u>				
Private payors (includes coinsurance and deductibles)	\$ 65,984,775	\$(28,577,716)	\$(3,798,064)	\$33,608,995
Medicaid	13,786,476	(9,722,345)	(37,850)	4,026,281
Medicare	81,401,773	(36,381,066)	(121,077)	44,899,630
Self-pay	<u>6,620,870</u>	<u>(3,353,508)</u>	<u>(1,002,205)</u>	<u>2,265,157</u>
	<u>\$167,793,894</u>	<u>\$(78,034,635)</u>	<u>\$(4,959,196)</u>	<u>\$84,800,063</u>
<u>2018</u>				
Private payors (includes coinsurance and deductibles)	\$ 68,650,215	\$(28,779,974)	\$(3,875,381)	\$35,994,860
Medicaid	10,188,961	(6,923,199)	(44,230)	3,221,532
Medicare	77,148,328	(36,411,872)	(221,566)	40,514,890
Self-pay	<u>5,943,468</u>	<u>(2,888,190)</u>	<u>(824,920)</u>	<u>2,230,358</u>
	<u>\$161,930,972</u>	<u>\$(75,003,235)</u>	<u>\$(4,966,097)</u>	<u>\$81,961,640</u>

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. The Hospital believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. While no such regulatory inquiries have been made, 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.

11. Employee Benefit Plans

The Hospital has a tax-sheltered annuity plan covering substantially all of its employees. Participating employees become eligible for employer contributions following the completion of two years of service, as defined, and attainment of age 21. Employer contributions are determined based on a percentage of employees' salaries. Benefit expense related to this plan for the years ended September 30, 2019 and 2018 amounted to approximately \$528,000 and \$502,000, respectively.

The Hospital also offers to certain physicians the option to participate in an Internal Revenue Code Section 457 deferred compensation plan to which the Hospital may make a discretionary contribution. The Hospital made no contributions to the Plan for the years ended September 30, 2019 and 2018.

THE MONADNOCK COMMUNITY HOSPITAL

NOTES TO FINANCIAL STATEMENTS

September 30, 2019 and 2018

12. Commitments and Contingencies

Operating Leases

The Hospital has various operating leases relative to certain equipment and various office facilities. Future annual minimum lease payments under these noncancellable leases as of September 30, 2019 are as follows:

Year ending September 30:

2020	\$298,659
2021	218,969
2022	188,957
2023	80,229

Rent expense was approximately \$373,000 and \$559,000 for the years ended September 30, 2019 and 2018, respectively.

Malpractice Loss Contingencies

The Hospital maintains malpractice insurance coverage on a claims-made basis. The claims-made policies, which are subject to retrospective adjustment and renewal on an annual basis, cover only claims made during the term of the policies, but not those occurrences for which claims may be made after expiration of the policies. The Hospital intends to renew its coverage and has no reason to believe that it will be prevented from renewing such coverage.

In accordance with ASU No. 2010-24, "Health Care Entities" (Topic 954): *Presentation of Insurance Claims and Related Recoveries*, the Hospital is required to record a liability related to estimated professional liability losses and also a receivable related to estimated recoveries under insurance coverage for recoveries of potential losses. At September 30, 2019 and 2018, management of the Hospital estimated that the Hospital did not have any significant exposure arising from estimated professional liability losses or significant estimated recoveries under insurance coverage for recoveries of potential losses.

13. Volunteer Services (Unaudited)

In 2019 and 2018, total volunteer service hours received by the Hospital were approximately 13,300 and 11,900, respectively. The volunteers provide nonspecialized services to the Hospital, none of which have been recognized as revenue or expense in the statements of operations.

THE MONADNOCK COMMUNITY HOSPITAL

NOTES TO FINANCIAL STATEMENTS

September 30, 2019 and 2018

14. Functional Expenses

The Hospital provides general health care services to residents within its geographic location. Expenses, excluding the New Hampshire Medicaid enhancement tax, related to providing these services are as follows for the year ended September 30, 2019:

	<u>Health Services</u>	<u>General and Administrative</u>	<u>Total</u>
Salaries and benefits	\$41,223,662	\$ 5,188,664	\$46,412,326
Supplies and other	31,488,254	3,591,341	35,079,595
Insurance	414,521	98,955	513,476
Depreciation and amortization	4,273,126	196,704	4,469,830
Interest	<u>—</u>	<u>1,030,574</u>	<u>1,030,574</u>
	<u>\$77,399,563</u>	<u>\$10,106,238</u>	<u>\$87,505,801</u>

For the year ended September 30, 2018, the Hospital provided \$75,127,027 in health services expenses and \$9,265,163 in general and administrative expenses, excluding New Hampshire Medicaid enhancement tax.

The financial statements report certain expense categories that are attributable to more than one healthcare service or support function. Therefore, these expenses require an allocation on a reasonable basis that is consistently applied. Costs not directly attributable to a function, such as depreciation and interest, are allocated to a function based on square footage. Supporting activities that are not directly identifiable with one or more healthcare programs are classified as general and administrative. If it is impossible or impractical to make a direct identification, allocation of the expenses were made according to management's estimates. Employee benefits are allocated in accordance with the ratio of salaries and wages of the functional classes. Specifically identifiable costs are assigned to the function which they are identified to.

15. Financial Assistance Program and Community Benefits (Unaudited)

The Hospital maintains records to identify and monitor the level of financial assistance it provides. These records include the amount of charges foregone for services and supplies furnished under its financial assistance program, the estimated cost of those services and supplies, and equivalent service statistics. The following information measures the level of financial assistance provided during the years ended September 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Charges foregone, based on established rates (note 1)	<u>\$1,832,000</u>	<u>\$1,734,000</u>
Estimated costs incurred to provide financial assistance	<u>\$1,058,000</u>	<u>\$ 992,000</u>
Equivalent percentage of financial assistance services to all services	<u>1.09%</u>	<u>1.07%</u>

THE MONADNOCK COMMUNITY HOSPITAL

NOTES TO FINANCIAL STATEMENTS

September 30, 2019 and 2018

15. **Financial Assistance Program and Community Benefits (Unaudited) (Continued)**

In addition to the financial assistance identified above, the Hospital does not receive full payment from the Medicare and Medicaid programs for the cost of services to certain poor and elderly patients served. In 2019 and 2018, the Hospital incurred costs in excess of payments in these programs amounting to approximately \$5,794,000 and \$4,420,000, respectively.

The Hospital also provides other services to the community at no cost or reduced cost, such as screenings, clinics, etc. The cost of providing these services was approximately \$4,062,000 and \$3,350,000 for the years ended September 30, 2019 and 2018, respectively.

The Hospital also has direct subsidies of approximately \$4,448,000 and \$4,355,000 for primary care and various specialty practices for the years ended September 30, 2019 and 2018, respectively.

16. **Fair Value of Financial Instruments**

Fair value of a financial instrument is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Hospital uses various methods including market, income and cost approaches. Based on these approaches, the Hospital often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Hospital utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Hospital is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1 – Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Level 1 also includes U.S. Treasury and federal agency securities and federal agency mortgage-backed securities, which are traded by dealers or brokers in active markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 – Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.

Level 3 – Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

THE MONADNOCK COMMUNITY HOSPITAL

NOTES TO FINANCIAL STATEMENTS

September 30, 2019 and 2018

16. Fair Value of Financial Instruments (Continued)

In determining the appropriate levels, the Hospital performs a detailed analysis of the assets and liabilities that are subject to fair value measurements. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3.

For the fiscal year ended September 30, 2019, the application of valuation techniques applied to similar assets and liabilities has been consistent with prior years.

The following presents the balances of assets and liabilities measured at fair value on a recurring basis at September 30:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<u>2019</u>				
Assets:				
Assets limited as to use:				
Cash and cash equivalents	\$ 1,216,991	\$ 577,893	\$ 639,098	\$ —
U.S. Treasury obligations	996,372	996,372	—	—
U.S. common stock:				
Technology	9,015,310	9,015,310	—	—
Healthcare	3,555,498	3,555,498	—	—
Consumer goods	8,649,955	8,649,955	—	—
Industrial goods	2,838,439	2,838,439	—	—
Services	7,778,038	7,778,038	—	—
Financial	1,017,198	1,017,198	—	—
Utilities	990,208	990,208	—	—
Mutual funds:				
Domestic	10,878,877	10,878,877	—	—
International	6,373,129	6,373,129	—	—
Fixed income	15,563,290	15,563,290	—	—
Investments in perpetual trusts	<u>4,862,084</u>	<u>—</u>	<u>4,862,084</u>	<u>—</u>
	<u>\$73,735,389</u>	<u>\$68,234,207</u>	<u>\$5,501,182</u>	<u>\$ —</u>
Liabilities:				
Interest rate swap agreements	<u>\$ 3,028,761</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 3,028,761</u>

THE MONADNOCK COMMUNITY HOSPITAL

NOTES TO FINANCIAL STATEMENTS

September 30, 2019 and 2018

16. Fair Value of Financial Instruments (Continued)

The following presents the balances of assets and liabilities measured at fair value on a recurring basis at September 30:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<u>2018</u>				
Assets:				
Assets limited as to use:				
Cash and cash equivalents	\$ 1,038,519	\$ 548,393	\$ 490,126	\$ —
U.S. Treasury obligations	1,043,233	1,043,233	—	—
U.S. common stock:				
Technology	8,485,427	8,485,427	—	—
Healthcare	3,276,072	3,276,072	—	—
Consumer goods	6,847,685	6,847,685	—	—
Industrial goods	2,315,356	2,315,356	—	—
Services	7,228,649	7,228,649	—	—
Financial	639,320	639,320	—	—
Utilities	712,300	712,300	—	—
Mutual funds:				
Domestic	10,568,725	10,568,725	—	—
International	6,391,702	6,391,702	—	—
Fixed income	14,156,096	14,156,096	—	—
Investments in perpetual trusts	<u>4,819,945</u>	<u>—</u>	<u>4,819,945</u>	<u>—</u>
	<u>\$67,523,029</u>	<u>\$62,212,958</u>	<u>\$5,310,071</u>	<u>\$ —</u>
Liabilities:				
Interest rate swap agreements	\$ <u>1,177,576</u>	\$ <u>—</u>	\$ <u>—</u>	\$ <u>1,177,576</u>

The valuation of the interest rate swap agreements is estimated by a third party based on the anticipated cash flows under the swap agreements over their duration at market interest rates at September 30, 2019 and 2018.

The following presents the change in Level 3 instruments for the years ended September 30:

	<u>Interest Rate Swaps</u>	
	<u>2019</u>	<u>2018</u>
Balance, beginning of year	\$ (1,177,576)	\$ (1,994,001)
Total unrealized (losses) gains, included in changes in net assets without donor restrictions	<u>(1,851,185)</u>	<u>816,425</u>
Balance, end of year	<u>\$ (3,028,761)</u>	<u>\$ (1,177,576)</u>

THE MONADNOCK COMMUNITY HOSPITAL

NOTES TO FINANCIAL STATEMENTS

September 30, 2019 and 2018

16. Fair Value of Financial Instruments (Continued)

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

The following methods and assumptions were used by the Hospital in estimating the "fair value" of other financial instruments in the accompanying financial statements and notes thereto:

Cash and cash equivalents: The carrying amounts reported in the accompanying statements of financial position for these financial instruments approximate their fair values.

Accounts and other receivables, pledges receivable, notes receivable, accounts payable and estimated third-party payor settlements: The carrying amounts reported in the accompanying statements of financial position approximate their respective values as these financial instruments have short-term maturities or are recorded at amounts that approximate fair value.

Long-term debt: The fair value of substantially all long-term debt approximates its carrying value due to the variable rate interest terms.

17. Financial Assets and Liquidity Resources

Financial assets and liquidity resources available within one year for general expenditure, such as operating expenses, scheduled principal payments on debt, and capital construction costs not financed with debt, consisted of the following at September 30, 2019:

Cash and cash equivalents	\$13,442,283
Accounts receivable	8,907,681
Other receivables	<u>641,032</u>
	<u>\$22,990,996</u>

To manage liquidity, the Hospital maintains sufficient cash and cash equivalent balances to support daily operations throughout the year. Cash and cash equivalents include bank deposits, money market funds, and other similar vehicles that generate a return on cash and provide daily liquidity to the Hospital. In addition, the Hospital has board-designated assets without donor restrictions that can be utilized at the discretion of management to help fund both operational needs and/or capital projects. As of September 30, 2019, the balance in board-designated assets was approximately \$60 million.



Community Health Needs Assessment

Implementation Plan

2019 2021

Presented by



Background - Compliance

The Community Health Needs Assessment (CHNA) and the Implementation Plan (IP) are required by State and federal agencies. Specifically, the Affordable Care Act of 2010 requires all U.S. not-for-profit hospitals to complete a CHNA and IP every three years.

- In 2018, Monadnock Community Hospital (MCH) worked with community service leaders, underserved populations, and others to complete its CHNA and identify 50 community health-related needs, or service gaps.
- MCH prioritized the list based qualitative and quantitative approaches.
- The following IP indicates which of the prioritized needs the hospital will address (and how) and which ones it will not address (and why not).

Requirements

The CHNA and the IP are separate but linked requirements

➤ CHNA Requirements

- Define the community served by MCH
- Describe the quantitative and qualitative methodology used to identify and prioritize community needs
- Include a comprehensive list of community health or health-related resources
- List the activities conducted since the prior CHNA conducted in order to address the identified needs
- Prioritize the list of community health needs to be included in the Implementation Plan

➤ Implementation Plan (IP) Requirements

- Identify which community needs the hospital will address (and how)
- Identify which community needs the hospital will not address (and why not)

This document summarizes the IP results.

IP Approach

Implementation Plan activities (i.e., actions taken to improve community health and address needs identified in the CHNA) will include many of the individuals and organizations previously embedded in the CHNA Leadership Team. Based on close collaboration with the Leadership Team during the CHNA process and from ongoing work with Team members since approximately 2012, MCH leadership took a lead role in IP development.

- Leadership constructed evaluation criteria for IP activities in order to determine whether or not they are within the hospital's purview to address and (if so), define how the hospital can best address the need.

Evaluation Criteria and Definitions

MCH has a long-standing commitment to the community on every level. As such, through existing or new programs, the hospital expects to be able to address – to some degree – approximately 80% of the 50 identified needs.

- The degree to which the hospital can address the needs is based on the following criteria:
 - The CHNA-based priority of the need.
 - Resources within an existing program or initiative can be used
 - Opportunities for collaboration with community partners
 - The degree to which the need is within the hospital's purview to address

NOTE: Definition of a “need:” A service gap – or, an inadequately met health issue – that could benefit from additional support from MCH or affiliated organizations. For this reason, many chronic disease states such as heart disease, diabetes, cancer, and others – while highly important community health issues – are not listed as unmet needs because the hospital and others are already highly engaged in these critically important areas.

IP Activities Categories

- Hospital leadership reviewed the CHNA needs and organized the highest-priority needs (the “top 10”) into five categories.
 1. Behavioral health
 2. Substance abuse
 3. Access to care for high need populations
 4. Care coordination (for higher risk patients, and coordination of care between provider organizations)
 5. Special outreach to unique populations – youth, dental, seniors, etc.

NOTE: For the purpose of the IP, a sixth category of “Other community based programs” was included

Categorization of the 50 Community Needs Identified in the CHNA

- For each of the 50 needs, MCH examined its current programs, outreach efforts and collaborations, and considered new initiatives such that each of the 50 needs were assigned to one of the following categories:
 - Ongoing activity: The hospital is already actively providing services to address the community health need.
 - Add to an ongoing activity: The hospital has current activities that may be able to be modified or expanded to address the community health need.
 - Create a new initiative to address community health need.
 - Not within MCH's purview.
- The following pages show IP SUMMARY results – “needs that the hospital will address (and how) and which ones it will not address (and why not) – by category, i.e., the five primary categories noted earlier plus the “Other community based programs” category.
- For easy reference, IP Details are provided in the appendices of this report.

Behavioral Health Summary **

- Note that the top two needs among the 50 (total) identified are in the behavioral health category.
- MCH will, or is currently addressing, all but one of the nine needs noted below.

Community Needs	Top 10 Need	Action
Behavioral health – early detection and intervention	1	Ongoing Activity
Behavioral health care for adult social, emotional, and organically-based illnesses	2	Ongoing Activity
Behavioral health for senior population	Not in top 10 needs	Ongoing Activity
Counseling or intervention services to deal with home violence	Not in top 10 needs	MCH will not address
Depression and other mental illness support and counseling	Not in top 10 needs	Ongoing Activity
Suicide prevention	Not in top 10 needs	Ongoing Activity
Support groups for people suffering from depression or anxiety	Not in top 10 needs	Ongoing Activity
Teen suicide	Not in top 10 needs	Ongoing Activity

** Details regarding the Actions are included in the appendices

Substance Abuse

- Substance abuse-related needs include the Number 3 and Number 4 overall community health needs.
- MCH is currently providing some support in each area. The appendices provide greater program details.

Community Needs	Top 10 Need	Action
Drug and alcohol abuse treatment	3	MCH will not address
Drug and alcohol education and early intervention	4	Ongoing Activity
Alcohol abuse treatment	Not in top 10 needs	Ongoing Activity
Opioid abuse prevention, intervention, and treatment	Not in top 10 needs	Ongoing Activity
Smoking or tobacco prevention and education	Not in top 10 needs	Ongoing Activity



Access to Care for High Need Populations

- There were 18 “Access to Care” needs (shown on this slide and the next one) among the 50 included in the IP.
- Most (15 of 18) are already being addressed to some degree by the hospital. The others are outside the MCH service purview, yet it would likely support other community service providers’ actions to address them.

Community Needs	Top 10 Need	Action
Affordable medical care	5	Ongoing Activity
Affordable dental services for adults	6	MCH will not address
Services that provide transportation to medical appointments and the pharmacy	10	MCH will not address
Access to pulmonary specialties/all specialty care access	Not in top 10 needs	MCH will not address
Affordable prescription drugs	Not in top 10 needs	Ongoing Activity
Availability of affordable healthcare, prescriptions, and services	Not in top 10 needs	Ongoing Activity and may expand with additional initiatives
Availability of specialists and treatments	Not in top 10 needs	Ongoing Activity





Access to Care for High Need Populations

- MCH has ongoing activities to address the needs below.

Community Needs	Top 10 Need	Action
Breast care and cancer screening	Not in top 10 needs	Ongoing Activity
Care for heart disease or heart conditions	Not in top 10 needs	Ongoing Activity
Chronic disease screening	Not in top 10 needs	Ongoing Activity
Diabetes care and education	Not in top 10 needs	Ongoing Activity
Diabetes prevention	Not in top 10 needs	Ongoing Activity
More dentists	Not in top 10 needs	Ongoing Activity
More doctors providing routine medical care (family doctor, pediatrician, primary care)	Not in top 10 needs	Ongoing Activity
More doctors that provide specialized care for cancer, diabetes, asthma, and other conditions	Not in top 10 needs	Ongoing Activity
Obesity education and care	Not in top 10 needs	Ongoing Activity
Urgent care	Not in top 10 needs	Ongoing Activity



Care Coordination

- Two of the three care coordination needs are among the top 10 most highly rated needs.
- MCH currently has activities supporting each care coordination need below.

Community Needs	Top 10 Need	Action
Coordination of care for higher-risk patients	7	Ongoing Activity
Coordination of care between provider organizations	8	Ongoing Activity
Communication between community service providers regarding the breadth of services available	Not in top 10 needs	Ongoing Activity

Special Outreach to Unique Populations

- MCH is currently engaged in activities addressing eight of the 11 needs below. They may also expand activities directed toward the highest need (i.e., youth-oriented programs).

Community Needs	Top 10 Need	Action
Other youth-oriented programs (example: wellness, mentoring, lifestyle and goal setting)	9	Ongoing Activity and may expand with additional initiatives
Affordable Dental services for children	Not in top 10 needs	Ongoing Activity
Exercise programs for adults and seniors	Not in top 10 needs	Ongoing Activity
Exercise programs for children	Not in top 10 needs	MCH will not address
Home health services such as Visiting Nurses or other in-home care	Not in top 10 needs	MCH will not address
Homeless services (healthcare for the homeless)	Not in top 10 needs	MCH will not address
Hospice or end-of-life care	Not in top 10 needs	Ongoing Activity
Migrant health services	Not in top 10 needs	Ongoing Activity
Multi-lingual health services	Not in top 10 needs	Ongoing Activity
Senior health services	Not in top 10 needs	Ongoing Activity
Women's healthcare	Not in top 10 needs	Ongoing Activity

Other Community Based Programs

- MCH community activities impact needs areas outside of conventional health care.

Community Needs	Top 10 Need	Action
Food security	Not in top 10 needs	MCH will not address
Lack of employer support (causes people to go to work sick)	Not in top 10 needs	MCH will not address
Lack of insurance coverage	Not in top 10 needs	Ongoing Activity
Nutrition education and services	Not in top 10 needs	Ongoing Activity
Pain management	Not in top 10 needs	Ongoing Activity
Preventive health services, such as flu shots, mammograms, and other screenings	Not in top 10 needs	Ongoing Activity

IP Activity Summary

- Monadnock Community Hospital actively supports community health by providing direct care services and through community collaboration.
 - Through direct or collaborative activities, MCH addresses approximately 40 of the 50 leading community needs as identified in the CHNA.
 - Ongoing community collaboration (e.g., the “Be the Change” group) continue to be active and (where helpful) are refined to better meet evolving challenges.
 - MCH is dedicated to addressing current needs and modifying activities to address emerging community health issues, as they arise.

Further Contact and Questions

Contact for additional information

- Rich Scheinblum
CFO
Monadnock Community Hospital
Richard.Scheinblum@mchmail.org
- Laura A. Gingras, CPA, CFRE
VP, Philanthropy and Community Relations
Monadnock Community Hospital
Laura.Gingras@mchmail.org



Implementation Plan Appendices

Appendices include the following:

- Implementation Plan / Need Category: Behavioral Health
- Implementation Plan / Need Category: Substance Abuse
- Implementation Plan / Need Category: Access to Care
- Implementation Plan / Need Category: Care Coordination
- Implementation Plan / Need Category: Special Outreach to Unique Populations
- Implementation Plan / Need Category: Other Community Based Programs

Implementation Plan / Need Category: Behavioral Health

Behavioral Health Community Needs	Top 10 Need	Ongoing Activity	Add to an Ongoing Activity	Create a New Activity	Rationale for not addressing
Behavioral health early detection and intervention	1	In pediatric and family care practices, ongoing patient survey work detects social and emotional needs requiring early intervention services.	NA	NA	NA
Behavioral health care for adult social, emotional, and organically-based illnesses	2	MCH currently offers the largest hospital-based outpatient service in New Hampshire. MCH subsidizes over \$500,000 per year in behavioral health care. MCH is also one of the few New Hampshire hospitals with a social worker in each primary care office.	NA	NA	NA
Behavioral health for senior population	Not in top 10 needs	MCH currently offers the largest hospital-based outpatient service in New Hampshire. MCH is also one of the few New Hampshire hospitals with a social worker in each primary care office.	NA	NA	NA
Counseling or intervention services to deal with home violence	Not in top 10 needs	No	No	No	This is generally beyond the MCH purview, however, patients are screened during outpatient office visits. In instances where home violence may be a concern, a social worker will meet with the patients.



Behavioral Health Community Needs	Top 10 Need	Ongoing Activity	Add to an Ongoing Activity	Create a New Activity	Rationale for not addressing
Depression and other mental illness support and counseling	Not in top 10 needs	<p>Patients are screened during outpatient office visits. In instances where mental health issues may be a concern, a social worker will meet with the patients.</p> <p>The hospital also provides a breadth of outpatient behavioral health services; and, efforts are supported by sliding fee scales, where appropriate.</p>	NA	NA	NA
Suicide prevention	Not in top 10 needs	<p>MCH currently offers the largest hospital-based outpatient service in New Hampshire. MCH subsidizes over \$500,000 per year in behavioral health care. The Be the Change group also provides additional community support for individuals and families impacted by suicide-related issues.</p> <p>MCH is also one of the few New Hampshire hospitals with a social worker in each primary care office.</p>	NA	NA	NA
Support groups for people suffering from depression or anxiety	Not in top 10 needs	<p>MCH offers a support group for women experiencing depression or other mental health issues. The hospital also supports similar groups for men being conducted in Jaffrey.</p>	NA	NA	NA
Teen suicide	Not in top 10 needs	<p>MCH currently offers the largest hospital-based outpatient service in New Hampshire. MCH subsidizes over \$500,000 per year in behavioral health care. The Be the Change group also provides additional community support for individuals and families impacted by suicide-related issues.</p> <p>MCH is also one of the few New Hampshire hospitals with a social worker in each primary care office.</p>	NA	NA	NA



Implementation Plan / Need Category: Substance Abuse

Substance Abuse Community Needs	Top 10 Need	Ongoing Activity	Add to an Ongoing Activity	Create a New Activity	Rationale for not addressing
Drug and alcohol abuse treatment	3	No	NA	NA	NA
Drug and alcohol education and early intervention	4	The Be the Change Behavioral Health Task Force provides free education and resources to the community regarding substance use and mental health issues.	NA	NA	NA
Alcohol abuse treatment	Not in top 10 needs	The hospital offers the following: - Up to eight AA meetings per week - Emergency Department patients experiencing detox receive care, and the hospital works to provide ongoing care - The hospital Be the Change program provides the community with alcohol misuse information and education	NA	NA	NA
Opioid abuse prevention, intervention, and treatment	Not in top 10 needs	MCH works with the New Hampshire "Hub and Spoke" program, community education is offered through the Be the Change program, and staff members sit on various related advisory board.	NA	NA	NA
Smoking or tobacco prevention and education	Not in top 10 needs	A tobacco specialist is on staff at MCH. Also, as of January 2019, MCH is a smoke-free campus, and provides free education to the community regarding the health detriments of tobacco. Smoking cessation classes are provided free of charge to all employees and their families.	NA	NA	NA

Implementation Plan / Need Category: Access to Care

Access to Care for High Need Populations Needs	Top 10 Need	Ongoing Activity	Add to an Ongoing Activity	Create a New Activity	Rationale for not addressing
Affordable medical care	5	A financial assistance program (FAP) is in place. Additional sliding fee and similar programs are available to households making 400% of the Federal Poverty Level or below.	NA	NA	NA
Affordable Dental services for adults	6	No	No	No	Not within the hospital purview; however, the hospital leases out a unit in the Medical Arts Building for dental services. In addition, the hospital makes referrals, as needed to other local providers.
Services that provide transportation to medical appointments and the pharmacy	10	No	No	No	Not within the hospital purview. However, the hospital works closely with CVTC and provides financial support annually.

Access to Care for High Need Populations Needs	Top 10 Need	Ongoing Activity	Add to an Ongoing Activity	Create a New Activity	Rationale for not addressing
Access to pulmonary specialties/all specialty care access	Not in top 10 needs	No	No	No	The Bond Wellness Center offers pulmonary rehabilitation services, and inpatient services provide respiratory therapy. However, the hospital does not have immediate plans to hire a pulmonologist.
Affordable prescription drugs	Not in top 10 needs	The hospital operates a Medication Bridge Program that offers a sliding scale fee structure for qualifying individuals and households.	NA	NA	NA
Availability of affordable healthcare, prescriptions, and services	Not in top 10 needs	Yes, these services are available as described above, and the FAP daytime office hours are available for patients interested in submitting and application.	Evaluate the possibility of expanding the FAP office hours to allow greater access to apply for services.	NA	NA
Availability of specialists and treatments	Not in top 10 needs	The hospital is actively working with GraniteOne Health Partners to recruit more specialists.	NA	NA	NA
Breast care and cancer screening	Not in top 10 needs	The hospital offers breast care services.	NA	NA	NA



Access to Care for High Need Populations Needs	Top 10 Need	Ongoing Activity	Add to an Ongoing Activity	Create a New Activity	Rationale for not addressing
Care for heart disease or heart conditions	Not in top 10 needs	The hospital offers the following: - All ambulances are equipped diagnostics equipment that evaluated heart of patients and can, potentially, divert patient directly to the New England Heart Institute - MCH maintains an excellent cardiac rehabilitation program and subsidized other heart care initiatives..	NA	NA	NA
Chronic disease screening	Not in top 10 needs	The hospital offers chronic disease treatment services.	NA	NA	NA
Diabetes care and education	Not in top 10 needs	MCH offers diabetes education, and a diabetes educator goes to each outpatient practice in order to educator providers and diabetes patients. MCH offers approximately \$50,000 in subsidized care per year.	NA	NA	NA
Diabetes Prevention	Not in top 10 needs	MCH offers diabetes education, and a diabetes educator goes to each outpatient practice in order to educator providers and diabetes patients. MCH offers approximately \$50,000 in subsidized care per year.	NA	NA	NA
More dentists	Not in top 10 needs	No	No	No	The hospital leases out a unit in the Medical Arts Building. In addition, the hospital makes referrals, as needed to other local providers.





Access to Care for High Need Populations Needs	Top 10 Need	Ongoing Activity	Add to an Ongoing Activity	Create a New Activity	Rationale for not addressing
More doctors providing routine medical care (family doctor, pediatrician, primary care)	Not in top 10 needs	MCH recruits physicians on an ongoing basis.	NA	NA	NA
More doctors that provide specialized care for cancer, diabetes, asthma, and other conditions	Not in top 10 needs	The hospital is actively working with GraniteOne Health Partners to recruit more specialists.	NA	NA	NA
Obesity education and care	Not in top 10 needs	MCH provides inpatient and outpatient education regarding healthful eating and nutritional counseling. In addition, free seminars offered to the community on a regular basis.	NA	NA	NA
Urgent care	Not in top 10 needs	Urgent care services are not provided by the hospital, but outpatient offices offer extended hours of operation in order to serve the needs of individuals who may otherwise need urgent care services.	NA	NA	NA





Implementation Plan / Need Category: Care Coordination

Care Coordination Needs	Top 10 Need	Ongoing Activity	Add to an Ongoing Activity	Create a New Activity	Rationale for not addressing
Coordination of care for higher-risk patients	7	The MCH and community healthcare providers workgroup meets every other month to discuss coordination of care approaches that would be helpful to at-risk patients.	NA	NA	NA
Coordination of care between provider organizations	8	The MCH and community healthcare providers workgroup meets every other month to discuss coordination of care approaches that would be helpful to at-risk patients.	NA	NA	NA
Communication between community service providers regarding the breadth of services available	Not in top 10 needs	MCH maintains an ongoing Provider Network. Monthly, the group (which includes a breadth of community providers) meets to discuss hospital activities and provides a forum for communication between various community-based providers.	NA	NA	NA



Implementation Plan / Need Category: Special Outreach to Unique Populations

Special Outreach to Unique Populations Needs	Top 10 Need	Ongoing Activity	Add to an Ongoing Activity	Create a New Activity	Rationale for not addressing
Other youth-oriented programs (example: wellness, mentoring, lifestyle and goal setting)	9	The hospital participates in youth mentoring programs.	Review the impact and feasibility of expanding mentoring programs.	NA	NA
Affordable Dental services for children	Not in top 10 needs	The hospital provides the Monadnock Healthy Teeth program to school age children.	NA	NA	NA
Exercise programs for adults and seniors	Not in top 10 needs	MCH offers the Exercise is Medicine program where physicians can prescribe exercise to their patients, when appropriate. Patients also work with the EIM coordinator in the Bond Wellness Center on an individualized program to meet their needs.	NA	NA	NA
Exercise programs for children	Not in top 10 needs	No	No	No	Not within the hospital purview
Home health services such as Visiting Nurses or other in-home care	Not in top 10 needs	No	No	No	Not within the hospital purview. However, the hospital work with HCS and other providers for home care services.



Special Outreach to Unique Populations Needs	Top 10 Need	Ongoing Activity	Add to an Ongoing Activity	Create a New Activity	Rationale for not addressing
Homeless services (healthcare for the homeless)	Not in top 10 needs	No	No	No	Not within the hospital purview. However, the hospital provides free or reduced cost for homeless individuals, where needed.
Hospice or end-of-life care	Not in top 10 needs	The hospital maintains a hospice room in the Med/Surg unit.			
Migrant health services	Not in top 10 needs	The hospital provides free or reduced cost for migrants, where needed. In addition, translation services are available in the Emergency Department and through the facility.	No	No	
Multi-lingual health services	Not in top 10 needs	The hospital provides translation services are available in the Emergency Department and through the facility.	NA	NA	NA
Senior health services	Not in top 10 needs	The hospital offers a broad array of services to the general community -- of which seniors comprise a major portion.	NA	NA	NA
Women healthcare	Not in top 10 needs	The hospital offers breast care services. In addition, the hospital maintains a robust suite of services designed to address women's health needs.	NA	NA	NA



Implementation Plan / Need Category: Other Community Based Programs

Other Community Based Programs Needs	Top 10 Need	Ongoing Activity	Add to an Ongoing Activity	Create a New Activity	Rationale for not addressing
Food security	Not in top 10 needs	No	No	No	Not within the hospital purview. However, MCH supports the work of the local food bank, where helpful.
Lack of employer support (causes people to go to work sick)	Not in top 10 needs	No	No	No	Not within the hospital purview
Lack of insurance coverage	Not in top 10 needs	The hospital supplies patient navigators who assist people having insurance-related questions and/or needs.	No	No	
Nutrition education and services	Not in top 10 needs	MCH provides inpatient and outpatient education regarding healthful eating and nutritional counseling. In addition, free seminars offered to the community on a regular basis.	NA	NA	NA
Pain management	Not in top 10 needs	The hospital employs a pain management specialist who offers a broad range of services to meet the diverse needs of community members experiencing pain-related issues.	NA	NA	NA
Preventive health services, such as flu shots, mammograms, and other screenings	Not in top 10 needs	The hospital offers flu shots, mammograms, and other screening to community members. In addition, the hospital provides free flu shots to all MCH employees, volunteers, and their family members.	NA	NA	NA

**SCHEDULE I
(Form 990)**

Department of the Treasury
Internal Revenue Service

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

OMB No. 1545-0047

2018

**Open to Public
Inspection**

Name of the organization
Monadnock Community Hospital

Employer identification number
02-0222157

Part I General Information on Grants and Assistance

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

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

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section (if applicable)	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of noncash assistance	(h) Purpose of grant or assistance
Town of Peterborough 1 Grove Street Peterborough, NH 03458		Government	15,000.	0.			Cash contribution for the benefit of the Peterborough Ambulance.

- 2** Enter total number of section 501(c)(3) and government organizations listed in the line 1 table **1.**
- 3** Enter total number of other organizations listed in the line 1 table **0.**

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

Schedule I (Form 990) (2018)

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

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of noncash assistance
The Peter L. Gosline Employee Education Scholarship	5	6,000.	0.		
The Dr. Mark Luedke Memorial Scholarship Fund	6	12,223.	0.		

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

Part I, Line 2:

During the fiscal year ending September 30, 2019, the Hospital made contributions to a governmental entity, the Town of Peterborough.

Additionally, during the fiscal year, the Hospital continued to support the Peter L. Gosline Employee Education Scholarship to support professional growth of Hospital employees. Both full and part-time employees are eligible to submit an application. The applicant must be a current Hospital employee in good standing who has been employed at MCH for at least 12

Part IV Supplemental Information

months. The applicant must also be currently enrolled in a degree or certificate program, provide a letter of recommendation from their current Hospital manager, as well provide a copy of their current college transcript.

In 2018, the Hospital established the Dr. Mark Luedke Memorial Scholarship Fund in memory of the organization's Radiology Medical Director. The fund is to support clinical education and certification for members of MCH's Radiology Department, and is disbursed with the input of the Director of Radiology, the Chief Nursing Officer, and VP of Human Resources. In 2019, the Hospital continued to contribute to the Luedke Scholarship Fund.

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

▶ Attach to Form 990.

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

OMB No. 1545-0047

2018

Open to Public
Inspection

Name of the organization

Monadnock Community Hospital

Employer identification number

02-0222157

Part I Questions Regarding Compensation

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

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

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

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

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

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

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

a Receive a severance payment or change-of-control payment?

b Participate in, or receive payment from, a supplemental nonqualified retirement plan?

c Participate in, or receive payment from, an equity-based compensation arrangement?

If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

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

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

a The organization?

b Any related organization?

If "Yes" on line 5a or 5b, describe in Part III.

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

a The organization?

b Any related organization?

If "Yes" on line 6a or 6b, describe in Part III.

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

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

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

Yes No

1b		
2		
4a	X	
4b	X	
4c		X
5a		X
5b		X
6a		X
6b		X
7	X	
8		X
9		

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

Schedule J (Form 990) 2018

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

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

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

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) Elizabeth Cooley, MD	(i)	214,765.	0.	1,290.	4,443.	19,239.	239,737.	0.
Ex-Officio (voting)	(ii)	0.	0.	0.	0.	0.	0.	0.
(2) Shawn Harrington, MD	(i)	419,803.	0.	1,198.	5,500.	19,172.	445,673.	0.
Ex-Officio (voting)	(ii)	0.	0.	0.	0.	0.	0.	0.
(3) Gregory Kriebel, MD	(i)	283,873.	0.	1,488.	5,500.	20,099.	310,960.	0.
Ex-Officio (voting) (end 12/18)	(ii)	0.	0.	0.	0.	0.	0.	0.
(4) Fay Migotsky, MD	(i)	144,380.	10,000.	2,946.	2,549.	21,975.	181,850.	0.
Ex-Officio (voting) (end 4/19)	(ii)	0.	0.	0.	0.	0.	0.	0.
(5) Lara Niemela, MD	(i)	173,478.	0.	450.	3,625.	20,652.	198,205.	0.
Ex-Officio (voting)	(ii)	0.	0.	0.	0.	0.	0.	0.
(6) Joseph Pepe, MD	(i)	0.	0.	0.	0.	0.	0.	0.
Trustee	(ii)	713,027.	213,513.	40,165.	372,862.	27,921.	1,367,488.	0.
(7) Alexander Walker, Esq.	(i)	0.	0.	0.	0.	0.	0.	0.
Trustee	(ii)	421,127.	132,968.	50,985.	156,267.	56,238.	817,585.	0.
(8) Cynthia McGuire	(i)	264,671.	0.	21,531.	23,000.	23,892.	333,094.	17,500.
Chief Executive Officer	(ii)	0.	0.	0.	0.	0.	0.	0.
(9) Richard D. Scheinblum	(i)	191,357.	0.	1,198.	3,907.	8,484.	204,946.	0.
VP Finance/CFO	(ii)	0.	0.	0.	0.	0.	0.	0.
(10) Ronald Michalak, MD	(i)	520,325.	0.	450.	5,500.	19,239.	545,514.	0.
Physician	(ii)	0.	0.	0.	0.	0.	0.	0.
(11) Terrence McNamara, DO	(i)	431,381.	15,996.	1,188.	5,500.	22,531.	476,596.	0.
Physician	(ii)	0.	0.	0.	0.	0.	0.	0.
(12) William White, MD	(i)	386,622.	15,000.	1,980.	1,154.	18,049.	422,805.	0.
Physician	(ii)	0.	0.	0.	0.	0.	0.	0.
(13) Robert C. Knowles, MD	(i)	311,278.	0.	42,004.	2,750.	16,755.	372,787.	0.
Physician	(ii)	0.	0.	0.	0.	0.	0.	0.
(14) Michael Lindberg, MD	(i)	332,294.	0.	1,980.	5,500.	17,630.	357,404.	0.
Physician	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							

Part III Supplemental Information

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

Part I, Lines 4a-b:

Cynthia McGuire, President & CEO, participates in a 457(f) plan with Monadnock Community Hospital. After a three year vesting period, amounts previously contributed to her by Monadnock Community Hospital are reported as part of her W-2 wages. In calendar year 2018, a total of \$17,500 was deposited into Ms. McGuire's 457(f) plan account, which is included in the amount reported on Schedule J, Part II, Column C for this current fiscal year Form 990 filing. Additionally, \$19,551 of compensation is reported in Column B(iii), which represents the vested 2015 contribution of \$17,500 and earnings of \$2,051.

The following individuals take part in a section 457(f) forfeitable nonqualified deferred compensation plan administered by Catholic Medical Center, their employer, which is a related organization. The amounts listed represent calendar year 2018 contributions for many years of service:

Joseph Pepe: \$351,362

Alexander Walker: \$139,767

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.

Robert Knowles, MD, a physician for Monadnock Community Hospital and one of the Hospital's top five highest employees, received severance compensation of \$40,962 in the calendar year ending December 31, 2018; Dr. Knowles was termed effectively retired from the Hospital on September 27, 2018.

Part I, Line 7:

MCH compensates physicians utilizing productivity targets based on RVU (relative value units). In addition, the Compensation Committee recommends to the full board, annually, the variable pay award that may be issued to the Hospital's CEO. The payment of the award is discretionary and is subject to meeting the pre-determined goals of the Organization.

Supplemental Information on Tax-Exempt Bonds

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.**
▶ **Attach to Form 990. ▶ Go to www.irs.gov/Form990 for instructions and the latest information.**

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Part I	Bond Issues See Part VI for Column (f) Continuations										
(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pooled financing	
						Yes	No	Yes	No	Yes	No
NHBFA Revenue Bonds A Series 2013	02-1304598	None	01/01/13	27,240,000.	refinance existing Series 2		X		X		X
B											
C											
D											

Part II Proceeds									
				A	B	C	D		
1	Amount of bonds retired								
2	Amount of bonds legally defeased								
3	Total proceeds of issue			27,240,000.					
4	Gross proceeds in reserve funds								
5	Capitalized interest from proceeds								
6	Proceeds in refunding escrows			27,057,466.					
7	Issuance costs from proceeds			182,534.					
8	Credit enhancement from proceeds								
9	Working capital expenditures from proceeds								
10	Capital expenditures from proceeds								
11	Other spent proceeds								
12	Other unspent proceeds								
13	Year of substantial completion			2013					
				Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a refunding issue of tax-exempt bonds (or, if issued prior to 2018, a current refunding issue)?				X				
15	Were the bonds issued as part of a refunding issue of taxable bonds (or, if issued prior to 2018, an advance refunding issue)?			X					
16	Has the final allocation of proceeds been made?			X					
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?			X					

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

Schedule K (Form 990) 2018

Part III Private Business Use

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X						
2 Are there any lease arrangements that may result in private business use of bond-financed property?		X						
3a Are there any management or service contracts that may result in private business use of bond-financed property?		X						
b If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c Are there any research agreements that may result in private business use of bond-financed property?		X						
d If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government00 %							
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government00 %							
6 Total of lines 4 and 500 %							
7 Does the bond issue meet the private security or payment test?		X						
8a Has there been a sale or disposition of any of the bond-financed property to a non-governmental person other than a 501(c)(3) organization since the bonds were issued?		X						
b If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of								
c If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?								
9 Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?		X						

Part IV Arbitrage

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

Part IV Arbitrage (Continued)

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

Part V Procedures To Undertake Corrective Action

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

Part VI Supplemental Information. Provide additional information for responses to questions on Schedule K. See instructions**Schedule K, Part I, Bond Issues:**

(a) Issuer Name: NHBFA Revenue Bonds Series 2013

(f) Description of Purpose: refinance existing Series 2007 and 2009 bonds

Schedule K, Part III, Line 9, Part IV, line 7 and Part V:

Although formal policies are not in place in regards to the remediation of our bond, the monitoring requirements of section 148, and procedures to ensure that violations are timely identified and corrected, Mondanock Community Hospital has compliance checks in place that substantiate these requirements. Below is a list of all compliance checks that Monadnock Community Hospital has in place to monitor the 2013 Bond Issue:

1. Covenant calculations performed monthly as part of the Financial Scorecard preparation which is reviewed by the MCH Board of Trustees;
2. Covenant calculations are performed for each quarter and reported to the bond issuer, TD Bank;
3. Covenant certificate is signed each quarter by the CFO and reported to the bond issuer, TD Bank;
4. Financial statements and statistical reports are sent to the bond

Part VI Supplemental Information.

Provide additional information for responses to questions on Schedule K. See instructions (Continued)

issuer, TD Bank, on a quarterly basis;

5. Annual Operating and Capital budgets are reported to the bond issuer, TD Bank;

6. A No Event of Default certificate is signed by the CFO annually and reported to the bond issuer, TD Bank;

7. Annual Audited Financial statements are reported to the bond issuer, TD Bank.

Each of these items that are reported to TD Bank has a specific deadline for completion as outlined in the bond documents.

SCHEDULE L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions With Interested Persons

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.**

▶ **Attach to Form 990 or Form 990-EZ.**

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

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

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b.

1	(a) Name of disqualified person	(b) Relationship between disqualified person and organization	(c) Description of transaction	(d) Corrected?	
				Yes	No

2 Enter the amount of tax incurred by the organization managers or disqualified persons during the year under section 4958 ▶ \$

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization ▶ \$

Part II Loans to and/or From Interested Persons.

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

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

Total ▶ \$

Part III Grants or Assistance Benefiting Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of assistance	(d) Type of assistance	(e) Purpose of assistance

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

Schedule L (Form 990 or 990-EZ) 2018

Part IV Business Transactions Involving Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
Peter Cerroni	Wife of Board Membe	38,658.	Peter Cerro		X
Michael Shea	Lessor of Rental Pr	134,289.	Michael She		X

Part V Supplemental Information.

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

Sch L, Part IV, Business Transactions Involving Interested Persons:

(a) Name of Person: Peter Cerroni

(b) Relationship Between Interested Person and Organization:

Wife of Board Member

(d) Description of Transaction: Peter Cerroni serves as a trustee on the Hospital's board of directors. Peter Cerroni's spouse is also employed by Monadnock Community Hospital. She receives wages of \$15,772, deferred compensation of \$388 and nontaxable benefits of \$22,498, for a total of \$38,658 in compensation and is consistent with employee compensation for all employees at similar levels at the Hospital.

(a) Name of Person: Michael Shea

(b) Relationship Between Interested Person and Organization:

Lessor of Rental Property

(d) Description of Transaction: Michael Shea serves as the Vice Chair on the Hospital's board of directors. Mr. Shea is also the president and part owner of Belletetes, Inc. Monadnock Community Hospital leases a building in Jaffrey, NH for the Jaffrey Family Medicine Practice which is owned by Belletetes, Inc. Terms are at arms-length. The total amount reported in Column C represents rental payments (\$107,727) as well as

Part V	Supplemental Information
---------------	---------------------------------

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

payments for property taxes and common area maintenance.

SCHEDULE M
(Form 990)

Department of the Treasury
Internal Revenue Service

Noncash Contributions

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- ▶ **Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.**
▶ **Attach to Form 990.**
▶ **Go to www.irs.gov/Form990 for instructions and the latest information.**

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Part I Types of Property

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1 Art - Works of art				
2 Art - Historical treasures				
3 Art - Fractional interests				
4 Books and publications				
5 Clothing and household goods				
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property				
9 Securities - Publicly traded	X	3	60,424.	Active Market Value
10 Securities - Closely held stock				
11 Securities - Partnership, LLC, or trust interests				
12 Securities - Miscellaneous				
13 Qualified conservation contribution - Historic structures				
14 Qualified conservation contribution - Other ...				
15 Real estate - Residential				
16 Real estate - Commercial				
17 Real estate - Other				
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ▶ (.....				
26 Other ▶ (.....				
27 Other ▶ (.....				
28 Other ▶ (.....				

29 Number of Forms 8283 received by the organization during the tax year for contributions
for which the organization completed Form 8283, Part IV, Donee Acknowledgement

29

30a During the year, did the organization receive by contribution any property reported in Part I, lines 1 through 28, that it
must hold for at least three years from the date of the initial contribution, and which isn't required to be used for
exempt purposes for the entire holding period?

b If "Yes," describe the arrangement in Part II.

31 Does the organization have a gift acceptance policy that requires the review of any nonstandard contributions?

32a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash
contributions?

b If "Yes," describe in Part II.

33 If the organization didn't report an amount in column (c) for a type of property for which column (a) is checked,
describe in Part II.

	Yes	No
30a		X
31		X
32a	X	
33		

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

Schedule M (Form 990) 2018

Part II **Supplemental Information.** Provide the information required by Part I, lines 30b, 32b, and 33, and whether the organization is reporting in Part I, column (b), the number of contributions, the number of items received, or a combination of both. Also complete this part for any additional information.

Schedule M, Line 32b:

The Hospital uses its third party investment broker to process gifts of publicly traded securities. Donations of such securities are sold as soon as administratively possible.

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

▶ Attach to Form 990 or 990-EZ.

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

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Form 990, Part III, Line 4a, Program Service Accomplishments:

or surgical emergency; for initiating life saving procedures in all types of emergency situations; and for providing emergency and initial evaluations and treatment for other conditions including minor illnesses and injuries, and sub-acute medical problems. During the year, there were 13,823 visits to the ER.

Physician Practices - Family health services, programs, and education are integral components of healthcare at MCH. Inpatient and outpatient primary care includes: medical, surgical, psychological and specialist services, provided by physicians and mid-level practitioners. These are located at the Hospital and its four satellite practices located in Antrim, Jaffrey, New Ipswich, and Rindge. During the year, 73,737 primary care office visits were recorded.

Surgical Services - Includes same day and short-term inpatient surgery. MCH provides surgery in the areas of orthopaedics, general surgery, OB/GYN, ophthalmology, urology, ENT, and podiatry. In addition, the Hospital offers some non-surgical procedures including colonoscopies, gastroscopies, and pain management injections. During the fiscal year, 3,234 procedures were performed.

Radiology and Diagnostics - MCH provides advanced radiological technology and extensive imaging services including: bone density, MRI, CT, nuclear medicine, ultrasound, mammography, and other diagnostic procedures, both inpatient and outpatient. During the fiscal year,

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

Schedule O (Form 990 or 990-EZ) (2018)

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32,293 exams were performed.

Rehabilitation Services - Additionally, MCH serves the people of the Monadnock Region through its medical rehabilitation and fitness services. MCH offers rehabilitation programs for cardiac and diabetic rehabilitation, along with pulmonary fitness, which feature educational and exercise components. We also provide physical and occupational therapy, as well as speech rehabilitation. During the fiscal year 54,453 procedures were recorded for these services.

Wellness Services - Community members wanting to improve and maintain their health have access to an award-winning, medically-based fitness facility. During the fiscal year, 19,046 member months were recorded.

Monadnock Community Hospital's Financial Grant Program provides assistance with hospital and/or physician bills for qualifying patients. In fiscal year 2019, the Organization recorded \$1,832,000 in charges foregone based on established rates. The estimated cost incurred to provide these services was \$938,018. In addition, Monadnock Community Hospital provided other services to the community at no cost or reduced cost, such as screenings and clinics. The cost of providing these services was approximately \$4,062,000 in 2019.

Form 990, Part VI, Section A, line 2:

Michael Shea, who serves as the Vice Chair on the Hospital's board of directors, is the president and part owner of Belletetes, Inc., a contracting and building-supplies company. James Callahan, Esq., who serves as the Secretary on the Hospital's board of directors, is engaged by

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Belletetes as the company's corporate attorney. Therefore, Mr. Shea and Mr. Callahan share a business relationship.

Form 990, Part VI, Section A, line 6:

The sole Member of MCH shall be GraniteOne Health, a New Hampshire voluntary corporation that is exempt from taxation under section 501(c)(3) of the Internal Revenue Code.

Form 990, Part VI, Section A, line 7a:

GraniteOne Health shall elect the elected members of MCH's Board of Trustees who are nominated as set forth in Article II of MCH's governing documents. GraniteOne Health shall also have the powers reserved to it as described in the following narrative for Form 990, Part VI, Line 7b.

Vacancies on the Board of Elected Trustees occurring prior to the end of any Elected trustee's term shall be elected by GraniteOne Health from nominations by either vote of the Board at a meeting of the Board, for which notice has been given of the nomination process, or by GraniteOne Health if the vacancy is from the group of Elected Trustees nominated by GraniteOne Health.

Form 990, Part VI, Section A, line 7b:

The following actions initiated by MCH shall require GraniteOne Health's approval:

a. Adoption of the annual capital and operating budgets, provided that the expenditure of any of the cash reserves, board-designated reserves, surplus assets and other assets held by MCH on the Affiliation Date and recorded on MCH's financial statements as unrestricted assets, as well as certain

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parcels of real estate not required for the operation of MCH (the "Pre-Affiliation Assets") contemplated by such budgets and proposed in accordance with those powers reserved to MCH, will not be subject to the approval of GraniteOne;

b. Approval of any strategic plans or material nonclinical programming and marketing plans, including material modifications thereof;

c. Authorization of debt incurred, assumed, or guaranteed by the hospital in excess of Five Hundred Thousand Dollars (\$500,000.00), other than as provided for in any approval annual capital or operating budget;

d. Authorization of any material acquisition, disposition, formation, organization or investment by MCH of or in any other corporation, partnership, limited liability company, other entity or joint venture, other than an acquisition funded with Pre-Affiliation Assets proposed in accordance with those powers reserved to MCH will not be subject to the approval of GraniteOne;

e. Authorization of the sale, disposition, mortgage, or encumbrance of any assets dedicated to the operations of MCH involving assets of Five Hundred Thousand Dollars (\$500,000.00) or more, with the exception of real estate identified prior to the Affiliation;

f. Authorization of MCH to enter into any merger, consolidation or joint venture; or to sell or dispose of substantially all of the assets of MCH or any of its respective subsidiaries; or to create or acquire any subsidiary organization;

g. Authorization of MCH to institute any bankruptcy, insolvency or reorganization proceedings for itself or any subsidiary;

h. Authorization of a capital investment by MCH or any of its subsidiaries in any individual entity or project in the form of cash or either tangible or intangible property in excess of Five Hundred Thousand Dollars

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(\$500,000.00), except as provided in any approved annual capital or operating budget or to the extended funded by the Restricted Assets or the Pre-Affiliation Assets;

i. Authorization to develop, implement or terminate clinical programs and clinical procedures by MCH or its subsidiaries;

j. The amendment of the Articles of Agreement or Bylaws of MCH or its subsidiaries to the extent that it would (a) impact the Reserved Powers; or (b) reasonably be expected to have a material strategic, competitive or financial impact on the System or any of its members; and

k. The MCH Board of Trustees' appointment or reappointment of the MCH CEO and the determination of the CEO's compensation.

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

The Hospital's Form 990 is prepared with assistance by an independent public accounting firm. A draft of the Form 990 is initially reviewed in detail by key finance employees. Thereafter, the final draft is made available to the full board prior to filing with the IRS.

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

On an annual basis, the Organization provides all administrators/directors/managers, Board Members, and medical staff members with the conflict of interest policy. Said individuals are required to complete a new conflict of interest disclosure on an annual basis. Any conflicts of interest noted are reviewed by the Chair of the Board, in conjunction with the Corporate Compliance Officer. If the conflict of interest appears to meet the policy definitions requiring full Board review, the Chair of the Board takes this to the full Board meeting, and it is discussed, and appropriate action is taken (in compliance with state and

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federal requirements). The conflict of interest statement requires signatories to inform the Hospital of any conflict of interest that occurs at any time throughout the year. If a conflict of interest arises during the year, it is reviewed by the Compliance Officer, and if necessary, is taken to the Board Chair/Board. The Compliance Officer confers with legal counsel with regard to conflicts of interest, if there is any question regarding the potential conflict.

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

The Organization has a written executive compensation policy and procedure. Under this policy, the Compensation Committee, comprised of delegated representatives of the Board of Trustees, has the power and responsibility to determine the Hospital's approach to executive compensation and review the performance of the CEO. The Compensation Committee has the responsibility to set, monitor and review the base salary of the CEO. The Committee maintains minutes of sessions and final recommendations and determinations in accordance with the Board of Trustee guidelines. Annually, market data is reviewed by the Committee to determine the appropriate salary for the Hospital's CEO based upon identified standards. At the end of the time period, the Committee reviews to what extent stated goals were met and recommends an amount for the variable pay award to be approved by the full board.

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

Monadnock Community Hospital files audited financial statements annually with the New Hampshire Attorney General's Charitable Trust Unit and informs the Director of Charitable Trusts of pecuniary benefit transactions that have occurred between MCH and a board member or officer. Notices of such

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transactions of \$5,000 or more are also published in the local newspaper in accordance with NH RSA 7:19-A, II(D). Current copies of the bylaws, conflict of interest policy and Form 990 are on file with the Charitable Trust Unit.

The Hospital also makes its governing documents, conflict of interest policy, and financial statements available to the public upon request.

Form 990, Part VII, Section A, Column D: Director Compensation

The 2018 compensation reported for Dr. Cooley, Dr. Kriebel, Dr. Harrington, Dr. Niemela, and Dr. Migotsky was paid by Monadnock Community Hospital for their services as physicians. No part of their compensation was remuneration for their services as an ex-officio voting members of MCH's Board of Trustees.

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

Change in fair value of interest rate swap agreements	-1,851,185.
Change in perpetual trust	42,139.
Total to Form 990, Part XI, Line 9	-1,809,046.

Form 990, Part XI, Line 2c: Audit Review Process

The Audit Committee oversees the audit process for Monadnock Hospital. The audit process for the financial statements did not change from the prior year. Independent accountants performed the audit for the fiscal years ended 9/30/18 and 9/30/19.

Related Organizations and Unrelated Partnerships

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

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

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) <small>Section 512(b)(13) controlled entity?</small>	
						Yes	No
Alliance Ambulatory Services - 02-0519436	Ambulatory Surgical Center	New Hampshire	501(c)(3)	Line 10	CMC Healthcare System		X
100 McGregor Street							
Manchester, NH 03102							
Alliance Health Services - 61-1508839	Practices	New Hampshire	501(c)(3)	Line 10	CMC Healthcare System		X
100 McGregor Street							
Manchester, NH 03102							
Alliance Resources - 02-0398138	Real Estate	New Hampshire	501(c)(3)	Line 12b, II	CMC Healthcare System		X
100 McGregor Street							
Manchester, NH 03102							
Catholic Medical Center - 02-0315693	Hospital	New Hampshire	501(c)(3)	Line 3	GraniteOne Health		X
100 McGregor Street							
Manchester, NH 03102							

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

Schedule R (Form 990) 2018

Part II Continuation of Identification of Related Tax-Exempt Organizations

[illegible]

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	
Alliance Urgent Services - 83-1238167, 100 McGregor Street, Manchester, NH 03102	Health Care Services	NH	N/A	N/A	N/A	N/A	N/A		N/A	N/A		N/A
Bedford Ambulatory Surgical Center, LLC - 02-0519727, 11 Washington Place, Bedford, NH 03110	Surgical Center	NH	N/A	N/A	N/A	N/A	N/A		N/A	N/A		N/A
NH Value Care ACO LLC - 83-2029076, 100 McGregor Street, Manchester, NH 03102	Health Care Services	NH	N/A	N/A	N/A	N/A	N/A		N/A	N/A		N/A

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
Alliance Enterprises - 02-0386795 100 McGregor Street Manchester, NH 03102	Real Estate	NH	N/A	C CORP	N/A	N/A	N/A		X
Doctors' Medical Association, Inc. - 02-0340690, 100 McGregor Street, Manchester, NH 03102	Medical Office Building	NH	N/A	C CORP	N/A	N/A	N/A		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	1a	X
b Gift, grant, or capital contribution to related organization(s)	1b	X
c Gift, grant, or capital contribution from related organization(s)	1c	X
d Loans or loan guarantees to or for related organization(s)	1d	X
e Loans or loan guarantees by related organization(s)	1e	X
f Dividends from related organization(s)	1f	X
g Sale of assets to related organization(s)	1g	X
h Purchase of assets from related organization(s)	1h	X
i Exchange of assets with related organization(s)	1i	X
j Lease of facilities, equipment, or other assets to related organization(s)	1j	X
k Lease of facilities, equipment, or other assets from related organization(s)	1k	X
l Performance of services or membership or fundraising solicitations for related organization(s)	1l	X
m Performance of services or membership or fundraising solicitations by related organization(s)	1m	X
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n	X
o Sharing of paid employees with related organization(s)	1o	X
p Reimbursement paid to related organization(s) for expenses	1p	X
q Reimbursement paid by related organization(s) for expenses	1q	X
r Other transfer of cash or property to related organization(s)	1r	X
s Other transfer of cash or property from related organization(s)	1s	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)			
(2)			
(3)			
(4)			
(5)			
(6)			

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

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

[illegible]

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