

Lori A. Weaver
Commissioner

Katja S. Fox
Director

100 - 6/3/26

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION FOR BEHAVIORAL HEALTH

129 PLEASANT STREET, CONCORD, NH 03301
603-271-9544 1-800-852-3345 Ext. 9544
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April 30, 2026

Her Excellency, Governor Kelly A. Ayotte
and the Honorable Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Authorize the Department of Health and Human Services, Division for Behavioral Health, to enter into a **Sole Source** amendment to an existing contract with The Cheshire Medical Center (VC#155405-B001), Keene, NH to add funding to support the Contractor's operating a single point of entry Doorway for individuals seeking access to substance use-related services and supports, by increasing the total price limitation by \$1,112,548 from \$7,367,530 to \$8,480,078, which includes increasing the individual price limitation by \$30,556 from \$2,104,530 to \$2,135,086 and increasing the shared price limitation by \$1,081,992, from \$5,263,000 to \$6,344,992 for unmet and flexible needs funding among all nine (9) Doorway Contractors with no change to the contract completion date of September 29, 2026, effective upon Governor and Council approval. 87.64% Federal Funds. 12.36% General Funds.

The original contract was approved by Governor and Council on May 21, 2025, Item #161.

Funds are available in the following accounts for State Fiscal Years 2026 and 2027, upon the availability and continued appropriation of funds in the future operating budget, with the authority to adjust budget line items within the price limitation and encumbrances between state fiscal years through the Budget Office, if needed and justified.

See attached fiscal details.

EXPLANATION

This request is **Sole Source** because MOP 150 requires all amendments to agreements originally approved as sole source to be identified as sole source. The Contractor serves as a long-standing critical access point for substance use disorder services and related health supports within the region. They have established effective partnerships with key community-based providers, possess the administrative and operational infrastructure necessary to meet the Department's expectations for Doorway services, and are positioned to provide these services without interruption. Transitioning these responsibilities to another entity would cause significant disruption to service delivery, jeopardize continuity of care for individuals seeking treatment and support, and reduce coordination across the provider network.

The purpose of this request is to add funding to support the Contractor's operating a single point of entry Doorway for individuals seeking access to substance use-related services and supports. This funding will allow the Contractor to cover expenses related to software, which is required for referrals, coordination and reporting.

Her Excellency, Governor Kelly A. Ayotte
and the Honorable Council
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The Contractor will continue to provide the resources and supports necessary to strengthen existing prevention, treatment, and recovery services. This includes promoting sustained engagement in the recovery process and ensuring individuals have timely access and referral to critical services that reduce substance use disorders, opioid- and stimulant-related harms, overdoses, and deaths. The Contractor will also continue delivering immediate screening and assessment services to determine the appropriate level of care; maintaining mechanisms for the rapid transport of individuals to safe interim housing when treatment is not immediately available; and administering facilitated referrals and case management to help individuals navigate the prevention, treatment, and recovery system. Third-party billing will continue to be used whenever allowable, while grant funds will remain the payor of last resort to support non-billable but essential services.

Shared pool funding will continue to address and remove barriers that often prevent individuals from accessing needed care. This funding supports emergent needs such as resources for individuals awaiting treatment or recovery services when capacity is limited; peer recovery support services; expenses associated with securing or maintaining safe housing; childcare that enables parents and caregivers to participate in treatment and recovery programming; and coordination of transportation to and from recovery-related medical appointments. These supports are critical to maintaining continuity of care and ensuring individuals can fully engage in treatment and recovery services.

Approximately 685 individuals will be served annually.

The Department will monitor services through the review of monthly data reports and federal reporting requirements submitted by the Contractor, and through regularly scheduled meetings with the Contractor to ensure deliverables are being met and to determine quality improvement needs.

Should the Governor and Council not authorize this request individuals seeking substance-use-related supports and services may experience difficulty navigating the complex treatment and recovery system, may not receive the needed supports and services, and may experience delays in receiving care.

Area served: Statewide.

Source of Federal Funds: Assistance Listing Number 93.788, FAIN H79TI087843.

Respectfully submitted,



For:

Lori A. Weaver
Commissioner

Fiscal Details

05-95-92-920510-70400000 HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT, HHS: BEHAVIORAL HEALTH DIV, BUREAU OF DRUG AND ALCOHOL SERVICES, SOR GRANT (100% Federal Funds)

State Fiscal Year	Class / Account	Class Title	Job Number	Current Budget	Increased (Decreased) Amount	Revised Budget
2025	074-500589	Welfare Assistance	92057070	\$789,200.00	\$0	\$789,200.00
2026	074-500589	Welfare Assistance	92057070	\$263,065.00	\$0	\$263,065.00
2026	074-500589	Welfare Assistance	92057076	\$789,200.00	\$30,556.00	\$819,756.00
2027	074-500589	Welfare Assistance	92057076	\$263,065.00	\$0	\$263,065.00
			Subtotal	\$2,104,530.00	\$30,556.00	\$2,135,086.00

05-95-92-920510-33820000 HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT OF, HHS:DIV FOR BEHAVIORAL HEALTH, BUREAU OF DRUG & ALCOHOL SVCS, GOVERNOR COMMISSION FUNDS

State Fiscal Year	Class / Account	Class Title	Job Number	Current Budget	Increased (Decreased) Amount	Revised Budget
2025	102-500731	Contracts for Prog Svc	92058501	\$413,000.00	\$0	\$413,000.00
2026	102-500731	Contracts for Prog Svc	92058501	\$162,000.00	\$0	\$162,000.00
2026	102-500731	Contracts for Prog Svc	92058501	\$488,000.00	\$0	\$488,000.00
2027	102-500731	Contracts for Prog Svc	92058511	\$0	\$137,500.00	\$137,500.00
			Subtotal	\$1,063,000.00	\$137,500.00	\$1,200,500.00

05-95-92-920510-70400000 HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT, HHS: BEHAVIORAL HEALTH DIV, BUREAU OF DRUG AND ALCOHOL SERVICES, SOR GRANT (100% Federal Funds)

State Fiscal Year	Class / Account	Class Title	Job Number	Current Budget	Increased (Decreased) Amount	Revised Budget
2025	074-500589	Welfare Assistance	92057066	\$200,000.00	\$0	\$200,000.00
2025	074-500589	Welfare Assistance	92057070	\$1,500,000.00	\$0	\$1,500,000.00
2026	074-500589	Welfare Assistance	92057070	\$500,000.00	\$0	\$500,000.00
2026	074-500589	Welfare Assistance	92057076	\$1,500,000.00	\$500,000.00	\$2,000,000.00
2027	074-500589	Welfare Assistance	92057076	\$500,000.00	\$444,492.00	\$944,492.00
			Subtotal	\$4,200,000.00	\$944,492.00	\$5,144,492.00

Overall Total	\$7,367,530.00	\$1,112,548.00	\$8,480,078.00
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**State of New Hampshire
Department of Health and Human Services
Amendment #1**

This Amendment to the Doorway for Substance Use-Related Supports and Services contract is by and between the State of New Hampshire, Department of Health and Human Services ("State" or "Department") and The Cheshire Medical Center ("the Contractor").

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on May 21, 2025 (Item #161), the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract and in consideration of certain sums specified; and

WHEREAS, pursuant to Form P-37, General Provisions, the Contract may be amended upon written agreement of the parties and approval from the Governor and Executive Council; and

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and conditions contained in the Contract and set forth herein, the parties hereto agree to amend as follows:

1. Form P-37, General Provisions, Block 1.8., Price Limitation, to read:
\$8,480,078
2. Modify Exhibit A - Revisions to Standard Provisions, by adding Subsection 1.7., to read:
1.7 Paragraph 6, Compliance by Contractor with Laws and Regulations/Equal Employment Opportunity, Subparagraph 6.1., is amended as follows:
6.1. In connection with the performance of the Services, the Contractor shall comply with all applicable statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, RSA 151:21 Patients' Bill of Rights, civil rights and equal employment opportunity laws, and the Governor's order on Respect and Civility in the Workplace, Executive Order 2020-01. In addition, if this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all federal executive orders, rules, regulations and statutes, and with any rules, regulations and guidelines as the State or the United States issue to implement these regulations. The Contractor shall also comply with all applicable intellectual property laws.
3. Modify Exhibit B, Scope of Services, Section 1.1.3. through Section 1.1.5., to read:
1.1.3. SAMHSA Unified Performance Reporting Tool (SUPRT), or other reporting tool as identified and required by SAMHSA;
1.1.4. American Society of Addiction Medicine (ASAM) Criteria. The Contractor must:
1.1.4.1. Transition from ASAM Criteria, 3rd Edition to ASAM Criteria, 4th Edition and ensure services are provided in accordance with ASAM Criteria, 4th Edition no later than January 1, 2026; and
1.1.4.2. Transition to, and ensure services are, provided in accordance with updated ASAM Criteria Editions within timeframes as specified and notified by the Department.
1.1.5. Reserved;
4. Modify Exhibit B, Scope of Services, Section 1.4.2.11.4., to read:
1.4.2.11.4. Ongoing follow-up and support of individuals engaged in services, in collaboration or consultation with the individual's external service provider(s), until a discharge SUPRT interview, detailed in Section 1.24 is completed;
5. Modify Exhibit B, Scope of Services, Section 1.24., to read:
1.24. SAMHSA Unified Performance Reporting Tool (SUPRT), or other reporting tool as

identified and required by SAMHSA

- 1.24.1. The Contractor must administer or coordinate the completion of SUPRT A and C baseline tool entries and associated re-assessments at six (6) months, one year, and discharge for all individuals receiving program services.
- 1.24.2. The Contractor must provide individuals served with clear guidance about the uses and disclosures of the information provided to complete the SUPRT, the tools required to complete the SUPRT-C, and the use and disclosure of the Part 2 information or other PHI required in order to complete the SUPRT. The Contractor must also provide staff training regarding the confidentiality of the identifiable information included in the SUPRT.
- 1.24.3. The Contractor must ensure the SUPRT reporting tools are attempted at a minimum of the following intervals:
 - 1.24.3.1. Baseline: Within 30 days of initial grant-covered service;
 - 1.24.3.2. Six Month Re-assessment: Six months post baseline. The window for this tool entry opens five (5) months after the baseline tool entry and closes seven (7) months after the baseline for individuals still receiving services;
 - 1.24.3.3. Annual Re-Assessment: One year post baseline. The window for this tool entry opens eleven (11) months after the baseline tool entry and closes thirteen (13) months after the baseline for individuals still receiving services; and
 - 1.24.3.4. Closeout: Upon discharge from the initially referred service.
- 1.24.4. The Contractor must ensure completed SUPRT data is entered into the Department-approved system, at a minimum of the following intervals:
 - 1.24.4.1. Baseline: Within 30 days of initial grant-covered service;
 - 1.24.4.2. Six Month Re-assessment: Six months post baseline. The window for this tool entry opens five (5) months after the baseline tool entry and closes seven (7) months after the baseline for individuals still receiving services;
 - 1.24.4.3. Annual Re-Assessment: One year post baseline. The window for this tool entry opens eleven (11) months after the baseline tool entry and closes thirteen (13) months after the baseline for individuals still receiving services; and
 - 1.24.4.4. Closeout: Upon discharge from the initially referred service. The Contractor must document any loss of contact with participants in the Department-approved system using the appropriate process and protocols as defined by SAMHSA and through technical assistance provided under the SOR grant.

6. Modify Exhibit B, Scope of Services, Section 1.25.8., to read:

1.25.8. The Contractor must collaborate with the Department and other SOR funded vendors, as requested and directed by the Department, to improve SUPRT data collection.

7. Modify Exhibit C, Payment Terms; Section 1., to read:

1. This Agreement is funded by:

1.1. 85.84% Federal funds, State Opioid Response (SOR), by the DHHS Substance Abuse and Mental Health Services Administration (SAMHSA), ALN 93.788, as

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awarded on:

- 1.1.1. September 24, 2024, FAIN H79TI087843.
 - 1.1.2. September 29, 2024, FAIN H79TI085759.
 - 1.1.3. September 20, 2025, FAIN H79TI087843.
 - 1.1.4. Date TBD, FAIN H79TI087843.
 - 1.2. 12.54% Other funds (Governor's Commission).
 - 1.3. 1.62% General funds.
8. Modify Exhibit C, Payment Terms, Section 3., to read:
- 3. Payment shall be on a cost reimbursement basis for actual expenditures incurred in the fulfillment of this Agreement, and shall be in accordance with the approved line items, as specified in Exhibit C-1, Doorway Services Budget through Exhibit C-1, Doorway Services Budget – Amendment #1.
9. Modify Exhibit C, Payment Terms, Section 5. through Section 5.1.2. only, to read:
- 5. The Contractor may be eligible to receive reimbursement for expenses incurred in the fulfillment of this Agreement and in accordance with Exhibit B, Scope of Services, Sections 1.9., 1.10., and 1.11. This Agreement is one of multiple individual Agreements with Contractors providing Doorway services with a total shared price limitation that shall not exceed \$6,344,992. No maximum or minimum funding amount per Contractor is guaranteed.
 - 5.1. The statewide total shared price limitation across all individual Doorway Agreements is:
 - 5.1.1. \$5,144,492 Flexible Needs Funds, as funded by SOR. SOR funding is available only for individuals with a history, current diagnosis, or who are at risk of developing an opioid and/or stimulant use disorder (O/StimUD), as follows:
 - 5.1.1.1. \$2,200,000 from September 30, 2024 through September 29, 2025; and
 - 5.1.1.2. \$2,944,492 from September 30, 2025 through September 29, 2026; and
 - 5.1.2. \$1,200,500 Unmet Needs Funds, as funded by the Governor's Commission on Addiction, Treatment, and Prevention, are available only for individuals with a history, current diagnosis, or who are at risk of developing substance use disorders, including alcohol use disorder, and excluding O/StimUD and is not available for services otherwise covered through SOR federal grant funding administered through SAMHSA, as follows:
 - 5.1.2.1. \$575,000 from September 30, 2024 through September 29, 2025; and
 - 5.1.2.2. \$625,500 from September 30, 2025 through September 29, 2026.
10. Modify Exhibit C-1, Doorway Services Budget, by replacing it in its entirety with Exhibit C-1, Doorway Services Budget – Amendment #1, which is attached hereto and incorporated by reference herein.

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All terms and conditions of the Contract not modified by this Amendment remain in full force and effect. This Amendment shall be effective upon Governor and Council approval.

IN WITNESS WHEREOF, the parties have set their hands as of the date written below,

State of New Hampshire
Department of Health and Human Services

5/6/2026

Date

DocuSigned by:
Katja S. Fox

Name: Katja S. Fox
Title: Director

The Cheshire Medical Center

5/6/2026

Date

DocuSigned by:
Todd Roberts

Name: Todd Roberts
Title: CFO

The preceding Amendment, having been reviewed by this office, is approved as to form, substance, and execution.

OFFICE OF THE ATTORNEY GENERAL

5/6/2026

Date

DocuSigned by:
Robyn Guarino

Name: Robyn Guarino

Title: Attorney

I hereby certify that the foregoing Amendment was approved by the Governor and Executive Council of the State of New Hampshire at the Meeting on: _____ (date of meeting)

OFFICE OF THE SECRETARY OF STATE

Date

Name:

Title:

New Hampshire Department of Health and Human Services												
Contractor Name:		The Cheshire Medical Center										
Budget Request for:		DOORWAY SERVICES: September 20, 2024 through September 29, 2026										
Indirect Cost Rate (if applicable)		8.03%										
Line Item	9/30/24-6/30/25			7/1/25-9/29/25			9/30/25-6/30/26			7/1/26-9/29/26		
	Total Program Cost	Program Cost - Contractor Share/ Match	Program Cost - Funded by DHHS	Total Program Cost	Program Cost - Contractor Share/ Match	Program Cost - Funded by DHHS	Total Program Cost	Program Cost - Contractor Share/ Match	Program Cost - Funded by DHHS	Total Program Cost	Program Cost - Contractor Share/ Match	Program Cost - Funded by DHHS
1. Salary & Wages	\$335,610	\$97,884	\$237,726	\$111,870	\$32,628	\$79,242	\$342,322	\$97,884	\$244,438	\$113,850	\$32,628	\$81,222
2. Fringe Benefits	\$107,421	\$0	\$107,421	\$35,872	\$0	\$35,872	\$112,255	\$0	\$112,255	\$36,432	\$0	\$36,493
3. Consultants	\$5,000	\$0	\$5,000	\$1,700	\$0	\$1,700	\$5,000	\$0	\$5,000	\$1,500	\$0	\$1,500
4. Equipment Indirect cost rate cannot be applied to equipment costs per 2 CFR 200.1 and Appendix IV to 2 CFR 200.	\$10,000	\$0	\$10,000	\$3,000	\$0	\$3,000	\$7,000	\$0	\$7,000	\$1,500	\$0	\$1,500
5.(a) Supplies - Educational	\$50	\$0	\$50	\$25	\$0	\$25	\$50	\$0	\$50	\$25	\$0	\$25
5.(b) Supplies - Lab	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5.(c) Supplies - Pharmacy	\$1,000	\$0	\$1,000	\$400	\$0	\$400	\$1,000	\$0	\$1,000	\$200	\$0	\$200
5.(d) Supplies - Medical	\$5,994	\$0	\$5,994	\$2,000	\$0	\$2,000	\$5,994	\$0	\$5,994	\$2,000	\$0	\$2,000
5.(e) Supplies - Office	\$8,500	\$0	\$8,500	\$2,800	\$0	\$2,800	\$8,500	\$0	\$8,500	\$2,800	\$0	\$2,800
6. Travel	\$2,200	\$0	\$2,200	\$1,000	\$0	\$1,000	\$2,200	\$0	\$2,200	\$800	\$0	\$800
7. Software	\$0	\$0	\$0	\$0	\$0	\$0	\$30,556	\$0	\$30,556	\$0	\$0	\$0
8. (a) Other - Marketing/Communications	\$2,000	\$0	\$2,000	\$400	\$0	\$400	\$1,500	\$0	\$1,600	\$150	\$0	\$150
8. (b) Other - Education and Training	\$8,000	\$0	\$8,000	\$2,600	\$0	\$2,600	\$3,377	\$0	\$3,377	\$2,400	\$0	\$2,400
8. (c) Other - Other (specify below)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Occupancy	\$46,000	\$0	\$46,000	\$15,529	\$0	\$15,529	\$46,000	\$0	\$46,000	\$15,529	\$0	\$15,529
Other Telephone	\$2,700	\$0	\$2,700	\$900	\$0	\$900	\$3,504	\$0	\$3,504	\$900	\$0	\$900
Other Insurance	\$4,500	\$0	\$4,500	\$1,500	\$0	\$1,500	\$1,320	\$0	\$1,320	\$1,500	\$0	\$1,500
Other - Subscriptions	\$2,000	\$0	\$2,000	\$700	\$0	\$700	\$2,000	\$0	\$2,000	\$700	\$0	\$700
Other - Environmental Services	\$3,000	\$0	\$3,000	\$1,000	\$0	\$1,000	\$1,594	\$0	\$1,594	\$800	\$0	\$800
Other (please specify)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL REV OFFSET FROM INSURANCE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9. Subrecipient Contracts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Direct Costs	\$543,975	\$97,884	\$446,091	\$181,296	\$32,628	\$148,668	\$574,172	\$97,884	\$476,388	\$181,086	\$32,628	\$148,519
Total Indirect Costs	\$43,109	\$0	\$43,109	\$14,397	\$0	\$14,397	\$43,368	\$0	\$43,368	\$14,546	\$0	\$14,546
Subtotals	\$587,084	\$97,884	\$489,200	\$195,693	\$32,628	\$163,065	\$617,540	\$97,884	\$519,756	\$195,632	\$32,628	\$163,065
TOTAL											\$1,335,086	

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Contractor Initials:

Date: 5/6/2026

State of New Hampshire

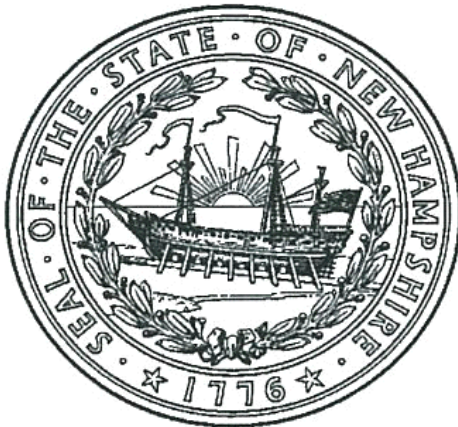
Department of State

CERTIFICATE

I, David M. Scanlan, Secretary of State of the State of New Hampshire, do hereby certify that THE CHESHIRE MEDICAL CENTER is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on October 31, 1980. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: **62567**

Certificate Number: **0007886421**



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 31st day of March A.D. 2026.

A handwritten signature in black ink, appearing to read "D. Scanlan", written over a faint circular outline.

David M. Scanlan
Secretary of State

CERTIFICATE OF AUTHORITY

I, Mark Gavin, hereby certify that:
(Name of the elected Officer of the Corporation/LLC; cannot be contract signatory)

1. I am a duly elected Clerk/Secretary/Officer of Cheshire Medical Center
(Corporation/LLC Name)

2. The following is a true copy of a vote taken at a meeting of the Board of Directors/shareholders, duly called and held on March 26, 2026, at which a quorum of the Directors/shareholders were present and voting.
(Date)


VOTED: That Joseph Perras, MD, Kathryn Willbarger or Todd Roberts (may list more than one person)
(Name and Title of Contract Signatory)

is duly authorized on behalf of Cheshire Medical Center to enter into contracts or agreements with the State
(Name of Corporation/ LLC)

of New Hampshire and any of its agencies or departments and further is authorized to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, which may in his/her judgment be desirable or necessary to effect the purpose of this vote.

3. I hereby certify that said vote has not been amended or repealed and remains in full force and effect as of the date of the contract/contract amendment to which this certificate is attached. This authority was **valid thirty (30) days prior to and remains valid for thirty (30) days** from the date of this Certificate of Authority. I further certify that it is understood that the State of New Hampshire will rely on this certificate as evidence that the person(s) listed above currently occupy the position(s) indicated and that they have full authority to bind the corporation. To the extent that there are any limits on the authority of any listed individual to bind the corporation in contracts with the State of New Hampshire, all such limitations are expressly stated herein.

Dated: 4/30/2026



Signature of Elected Officer
Name: Mark Gavin
Title: Chair

CERTIFICATE OF INSURANCE

COMPANY AFFORDING COVERAGE

Hamden Assurance Risk Retention Group, Inc.
 P.O. Box 1687
 30 Main Street, Suite 330
 Burlington, VT 05401

This certificate is issued as a matter of information only and confers no rights upon the Certificate Holder. This Certificate does not amend, extend or alter the coverage afforded by the policies below.

INSURED

Cheshire Medical Center
 580 Court Street
 Keene, NH 03431
 603-354-5400

COVERAGES

The Policy listed below has been issued to the Named Insured above for the Policy Period notwithstanding any requirement, term or condition of any contract or other document with respect to which this certificate may be issued. The insurance afforded by the policy is subject to all the terms, exclusions and conditions of the policy. Limits shown may have been reduced by paid claims.

TYPE OF INSURANCE		POLICY NUMBER	POLICY EFFECTIVE DATE	POLICY EXPIRATION DATE	LIMITS	
X	CLAIMS MADE				EACH OCCURRENCE	\$1,000,000
					DAMAGE TO RENTED PREMISES	\$1,000,000
					MEDICAL EXPENSES	N/A
					PERSONAL & ADV INJURY	\$1,000,000
					GENERAL AGGREGATE	\$3,000,000
OTHER					PRODUCTS-COMP/OP AGG	\$1,000,000
X	CLAIMS MADE				EACH CLAIM	\$1,000,000
					ANNUAL AGGREGATE	\$3,000,000
					OTHER	

DESCRIPTION OF OPERATIONS/ LOCATIONS/ VEHICLES/ SPECIAL ITEMS (LIMITS MAY BE SUBJECT TO RETENTIONS)

Certificate is issued as evidence of insurance.

CERTIFICATE HOLDER

State of New Hampshire
 Department of Health and Human Services
 129 Pleasant Street
 Concord, NH 03301-3857

CANCELLATION

Should any of the above described policies be cancelled before the expiration date thereof, the issuing company will endeavor to mail 30 DAYS written notice to the certificate holder named below, but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives.

AUTHORIZED REPRESENTATIVES



DARTHIT-01

LCRANDALL

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

5/5/2026

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must have **ADDITIONAL INSURED** provisions or be endorsed. If **SUBROGATION IS WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER License # 1780862 HUB International New England 30 Donald B Dean Dr South Portland, ME 04106	CONTACT NAME: Lynda Crandall PHONE (A/C, No, Ext): (207) 558-6594 FAX (A/C, No):
	E-MAIL ADDRESS: Lynda.crandall@hubinternational.com
	INSURER(S) AFFORDING COVERAGE
	INSURER A : The Gray Insurance Company
	INSURER B : Midwest Employers Casualty Company
	INSURER C :
	INSURER D :
	INSURER E :
	INSURER F :

INSURED	CERTIFICATE NUMBER:	REVISION NUMBER:
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THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:						EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ \$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input type="checkbox"/> RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	SPX0702603	7/1/2025	7/1/2026	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 500,000 E.L. DISEASE - EA EMPLOYEE \$ 500,000 E.L. DISEASE - POLICY LIMIT \$ 500,000
B	Excess Workers' Comp			EWC010235	7/1/2024	7/1/2026	NH Only 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Evidence of Workers Compensation coverage for Cheshire Medical Center.

CERTIFICATE HOLDER NH DHHS 129 Pleasant Street Concord, NH 03301	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE
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NONPROFIT COVER SHEET

A. Entity Name: The Cheshire Medical Center

B. Entity's Contact Information:

For Records Requests (e.g., resumes of key personnel; audited financial statements):

Name / Phone / Email: Todd Roberts ToRoberts@cheshire-med.com (603) 354-5473,
 Martha Barnard mbarnard@cheshire-med.com (603) 354-6675

Person responsible for Accuracy and Completeness of information provided:

Name: Todd Roberts Title: CFO
 Signature: [Handwritten Signature]

C. List Board of Directors and Affiliations

<u>Name (Identify any additional role(s) in Parentheses)</u>	<u>Affiliations</u>
Mark Bodin (Treasurer)	Savings Bank of Walpole
Michael Chelstowski	Local Community Member
Elizabeth Cotter (Secretary)	Local Community Member
Barbara Duckett	Local Community Member
Alan Kintisch (Vice Chair)	C&S Wholesale Grocers
Gina O'Brien, MD (Ex-Officio)	CMO - Cheshire Medical Center
Joseph Perras, MD (Ex-Officio)	CEO & President - Cheshire Medical Center
Serena Shomody, DPM (Ex-Officio)	Physician, Med Staff President- Cheshire
Andrew Tremblay, MD	Physician at Cheshire Medical Center
Paige Walker	Local Community Member
Michael Waters	Treasurer-Dartmouth Health
Mark Gavin (Chair)	Local Community Member
Sally Malay	Keene Housing Kids Collaborative

D. List Key Personnel (Resumes must be available upon request to the person(s) listed in section B or may be attached):

<u>Name</u>	<u>Role</u>	<u>Annual Salary</u>	<u>Amount Paid From This Contract</u>
Todd Roberts	CFO	306,000	\$0
Martha Barnard	Clinical Manager	\$97,801	\$97,801

DISCLOSURE OF LEGAL ACTIVITIES INVOLVING THE STATE OF NEW HAMPSHIRE OR ANOTHER GOVERNMENT ENTITY

E. Check one of the following:

- [X] The entity is **not currently or has not been** party to any legal proceeding involving the State of New Hampshire (or any agency or subdivision thereof) or any other state/federal government entity before any adjudicative body in any jurisdiction **OR**
- [] The entity is or has been party to one or more legal proceedings as set forth above. Identify the jurisdiction, court or other adjudicative body, case number, and briefly describe the nature of the proceeding (Attached extra sheet if necessary).

CHARITABLE TRUSTS UNIT COMPLIANCE CERTIFICATION

F. Check one of the following:

- [X] is registered and in good standing with the New Hampshire Department of Justice Charitable Trusts Unit (** see note below) **or** has submitted a complete application for registration to the Charitable Trusts Unit and is awaiting a registration determination **OR**
- [] is not required to register with the Charitable Trusts Unit because it is neither tax-exempt under section 501(c)(3) of the Internal Revenue Code nor engages in charitable solicitations in the State of New Hampshire **OR**
- [] is exempt from registration with the Charitable Trusts Unit because it is a federal or state government, agency, or subdivision or is a religious organization, an integrated auxiliary of a religious organization, or is a convention or association of churches.

** Note: Attached screen shot from the DOJ Registered Charities List found at:

<https://mm.nh.gov/files/uploads/doj/remote-docs/registered-charities.pdf>

6269	Cheshire Medical Center	580 Court Street	Keene	NH	03431	G	5/15/2026
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FINANCIAL DISCLOSURES

G. Check one the following:

- [X] The organization hired an outside firm to audit its financial statements or to prepare GAAP-compliant financial statements for its most recently completed fiscal year. If so, please ensure that the financial statements and audit results are available to be requested from the contact listed on Page 1 (audited financials may be attached) **OR**
- [] The above does not apply, but the organization filed an IRS Form 990 or Form 990-EZ for its most recently completed fiscal year. Please attach that IRS Form 990 or Form 990-EZ to the submission. (Form 990 Schedule B is not required) **OR**
- [] ***If neither of the above apply***, complete the Income Statement and Balance Sheet below with the following basic financial information from the organization’s most recently completed fiscal year:

1. INCOME STATEMENT

<u>Revenue</u>		<u>Expenses</u>	
<i>Grants</i>	\$	<i>Compensation of officers, directors, and key personnel</i>	\$
<i>Donations</i>	\$		
<i>Program Services Revenue</i>	\$	<i>Other salaries & wages</i>	\$
<i>Interest & Dividends</i>	\$	<i>Payroll taxes & employee benefits</i>	\$
<i>All other Revenue</i>	\$	<i>Occupancy, rent, utilities, and insurance</i>	\$
<u>Total Revenue</u>	\$	<i>Printing, publications, postage, office supplies, and IT</i>	\$
		<i>All other expenses</i>	\$
		<u>Total Expenses</u>	\$

2. BALANCE SHEET

<u>Assets</u>		<u>Liabilities</u>	
<i>Cash & Equivalents</i>	\$	<i>Accounts Payable</i>	\$
<i>Investments</i>	\$	<i>Loans Payable</i>	\$
<i>Real Estate (less any depreciation)</i>	\$	<i>All other liabilities</i>	\$
<i>Other Property & Equipment (less any depreciation)</i>	\$	<u>Total Liabilities</u>	\$
<i>Pledges, grants, accounts receivable</i>	\$		
<i>All other assets</i>	\$		
<u>Total Assets</u>	\$		



Cheshire
Medical Center

Mission and Vision

Mission

To lead our community to optimal health and wellness through our clinical and service excellence, collaboration, and compassion for every patient, every time.

Vision

To continually improve the health outcomes of the people we care for through our role in providing high-value health care; remaining a sustainable resource for our region.

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**Dartmouth-Hitchcock Health (d/b/a
Dartmouth Health) and Subsidiaries**
Consolidated Financial Statements
June 30, 2025 and 2024

Dartmouth-Hitchcock Health (d/b/a Dartmouth Health) and Subsidiaries

Index

June 30, 2025 and 2024

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Report of Independent Auditors

To the Board of Trustees of Dartmouth-Hitchcock Health (d/b/a Dartmouth Health) and subsidiaries

Opinion

We have audited the accompanying consolidated financial statements of Dartmouth-Hitchcock Health (d/b/a Dartmouth Health) and its subsidiaries (the Dartmouth Health System), which comprise the consolidated balance sheets as of June 30, 2025 and 2024, and the related consolidated statements of operations, of changes in net assets and of cash flows for the years then ended, including the related notes (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of June 30, 2025 and 2024, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the consolidated financial statements are issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

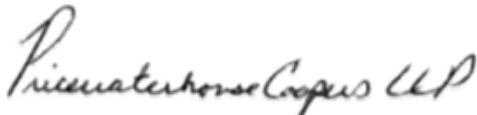
In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the Consolidated Financial Statements taken as a whole. The accompanying consolidating balance sheets and consolidating statements of operations and changes in net assets without donor restrictions as of and for the years ended June 30, 2025 and 2024 (the "supplemental information") is presented for purposes of additional analysis and is not a required part of the Consolidated Financial Statements. The consolidating information is not intended to present, and we do not express an opinion on, the financial position, results of operations and cash flows of the individual companies. The supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the Consolidated Financial Statements. The supplemental information has been subjected to the auditing procedures applied in the audit of the Consolidated Financial Statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the Consolidated Financial Statements or to the Consolidated Financial Statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the Consolidated Financial Statements taken as a whole.



Boston, Massachusetts
October 31, 2025

**Dartmouth-Hitchcock Health (d/b/a Dartmouth Health) and
Subsidiaries**
Consolidated Balance Sheets
June 30, 2025 and 2024

(in thousands of dollars)

	<u>2025</u>	<u>2024</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 240,890	\$ 257,903
Patient accounts receivable, net (Note 4)	336,269	287,317
Prepaid expenses and other current assets	254,479	186,729
Total current assets	831,638	731,949
Assets limited as to use (Notes 5 and 7)	1,638,521	1,234,156
Other investments for restricted activities (Notes 5 and 7)	261,455	229,626
Property, plant, and equipment, net (Note 6)	985,794	921,320
Right-of-use assets, net (Note 16)	58,240	53,103
Other assets	284,009	251,713
Total assets	<u>\$ 4,059,657</u>	<u>\$ 3,421,867</u>
Liabilities and Net Assets		
Current liabilities		
Current portion of long-term debt (Note 10)	\$ 10,121	\$ 22,426
Current portion of right-of-use obligations (Note 16)	10,486	10,142
Line of credit (Note 13)	65,500	41,950
Accounts payable and accrued expenses	159,480	138,466
Accrued compensation and related benefits	172,902	168,855
Estimated third-party settlements (Note 4)	107,115	82,668
Total current liabilities	525,604	464,507
Long-term debt, excluding current portion (Note 10)	1,477,673	1,199,925
Right-of-use obligations, excluding current portion (Note 16)	50,511	45,807
Insurance deposits and related liabilities (Note 12)	112,441	98,397
Liability for pension and other postretirement plan benefits, excluding current portion (Note 11)	205,008	211,760
Other liabilities	222,806	199,091
Total liabilities	2,594,043	2,219,487
Commitments and contingencies (Notes 3, 4, 6, 7, 10, 13, and 16)		
Net assets		
Net assets without donor restrictions (Note 9)	1,140,659	923,697
Net assets with donor restrictions (Notes 8 and 9)	324,955	278,683
Total net assets	1,465,614	1,202,380
Total liabilities and net assets	<u>\$ 4,059,657</u>	<u>\$ 3,421,867</u>

The accompanying notes are an integral part of these Consolidated Financial Statements.

**Dartmouth-Hitchcock Health (d/b/a Dartmouth Health) and
Subsidiaries**
Consolidated Statements of Operations and Changes in Net Assets
Years Ended June 30, 2025 and 2024

<i>(in thousands of dollars)</i>	<u>2025</u>	<u>2024</u>
Operating revenue and other support		
Net patient service revenue (Note 4)	\$ 3,147,452	\$ 2,791,314
Contracted revenue	15,425	20,721
Other operating revenue	1,000,040	780,986
Net assets released from restrictions	18,420	18,126
Total operating revenue and other support	<u>4,181,337</u>	<u>3,611,147</u>
Operating expenses		
Salaries	1,823,977	1,581,480
Employee benefits	423,101	391,708
Medications and medical supplies	1,015,001	841,277
Purchased services and other	577,026	521,219
Medicaid enhancement and provider tax (Note 4)	119,082	102,727
Depreciation and amortization (Note 6)	97,678	89,985
Interest (Note 10)	40,237	40,869
Total operating expenses	<u>4,096,102</u>	<u>3,569,265</u>
Operating gain	85,235	41,882
Non-operating gains (losses)		
Investment gains, net (Note 5)	138,138	124,724
Other components of net periodic pension and post retirement benefit income (Note 11 and 14)	(23,880)	(22,702)
Other losses, net	(21,208)	(22,088)
Pension termination settlement charge (Note 12)	-	(13,287)
Contribution from acquisition (Note 3)	36,799	129,689
Total non-operating gains, net	<u>129,849</u>	<u>196,336</u>
Excess of revenue over expenses	<u>\$ 215,084</u>	<u>\$ 238,218</u>

Consolidated Statements of Operations and Changes in Net Assets – continues on next page

The accompanying notes are an integral part of these Consolidated Financial Statements.

**Dartmouth-Hitchcock Health (d/b/a Dartmouth Health) and
Subsidiaries**
Consolidated Statements of Operations and Changes in Net Assets - Continued
Years Ended June 30, 2025 and 2024

<i>(in thousands of dollars)</i>	<u>2025</u>	<u>2024</u>
Net assets without donor restrictions		
Excess of revenue over expenses	\$ 215,084	\$ 238,218
Net assets released from restrictions for capital	2,560	15,150
Change in funded status of pension and other postretirement benefits (Note 11)	(618)	11,393
Other changes in net assets	<u>(64)</u>	<u>(52)</u>
Increase in net assets without donor restrictions	216,962	264,709
Net assets with donor restrictions		
Gifts, bequests, sponsored activities	45,335	63,289
Investment gains, net	14,809	14,287
Net assets released from restrictions	(21,588)	(33,980)
Contribution of assets with donor restrictions acquisition (Note 3)	<u>7,716</u>	<u>24,754</u>
Increase in net assets with donor restrictions	46,272	68,350
Change in net assets	263,234	333,059
Net assets		
Beginning of year	<u>1,202,380</u>	<u>869,321</u>
End of year	<u>\$ 1,465,614</u>	<u>\$ 1,202,380</u>

The accompanying notes are an integral part of these Consolidated Financial Statements.

Dartmouth-Hitchcock Health (d/b/a Dartmouth Health) and Subsidiaries

Consolidated Statements of Cash Flows

Years Ended June 30, 2025 and 2024

<i>(in thousands of dollars)</i>	<u>2025</u>	<u>2024</u>
Cash flows from operating activities		
Change in net assets	\$ 263,234	\$ 333,059
Adjustments to reconcile change in net assets to net cash provided by operating and non-operating activities		
Effects of acquisition	(44,755)	(154,443)
Depreciation and amortization	98,353	90,601
Amortization of bond premium, discount, and issuance cost, net	(2,716)	(2,745)
Amortization of right-of-use asset	7,247	8,830
Payments on right-of-use lease obligations - operating	(7,371)	(8,489)
Change in funded status of pension and other postretirement benefits	618	(11,393)
Loss on disposal of fixed assets	723	2,212
Net realized gains and change in net unrealized gains on investments	(170,808)	(138,812)
Restricted contributions and investment earnings	(14,737)	(21,449)
Proceeds from sales of donated securities	2,552	9,715
Loss from debt extinguishment	1,334	-
Changes in assets and liabilities, excluding the effects of acquisition		
Patient accounts receivable, net	(43,479)	19,588
Prepaid expenses and other current assets	(61,760)	57
Other assets, net	(27,666)	(43,375)
Accounts payable and accrued expenses	8,126	(10,788)
Accrued compensation and related benefits	267	19,422
Estimated third-party settlements	12,033	14,470
Insurance deposits and related liabilities	14,044	7,048
Liability for pension and other postretirement benefits	(7,370)	16,848
Other liabilities	23,715	17,492
Net cash provided by (used in) operating activities	51,584	147,848
Cash flows from investing activities		
Purchase of property, plant, and equipment	(140,816)	(132,454)
Proceeds from sale of property, plant, and equipment	684	20
Purchases of investments	(396,917)	(19,641)
Proceeds from maturities and sales of investments	170,193	52,606
Cash received through acquisition	14,631	5,794
Net cash provided by (used in) investing activities	(352,225)	(93,675)
Cash flows from financing activities		
Proceeds from line of credit	1,524,500	1,583,500
Payments on line of credit	(1,500,950)	(1,595,250)
Repayment of long-term debt	(177,356)	(17,206)
Proceeds from issuance of debt	430,397	100,137
Repayment of finance leases	(4,405)	(4,635)
Payment of debt issuance costs	(3,241)	(189)
Restricted contributions and investment earnings	14,737	21,449
Net cash provided by (used in) financing activities	283,682	87,806
Increase (decrease) in cash and cash equivalents	(16,959)	141,979
Cash and cash equivalents, beginning of year	259,300	117,321
Cash and cash equivalents, end of year	\$ 242,341	\$ 259,300
Supplemental cash flow information		
Interest paid	\$ 54,927	\$ 49,133
Construction in progress included in accounts payable and accrued expenses	5,132	11,315
Donated securities	2,552	9,715

The following table reconciles cash and cash equivalents on the Consolidated Balance Sheets to cash, cash equivalents and restricted cash on the Consolidated Statements of Cash Flows.

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 240,890	\$ 257,903
Restricted cash and cash equivalents included in other investments for restricted activities	1,451	1,397
Total of cash, cash equivalents, and restricted cash shown in the consolidated statements of cash flows	\$ 242,341	\$ 259,300

The accompanying notes are an integral part of these Consolidated Financial Statements.

Dartmouth-Hitchcock Health (d/b/a Dartmouth Health) and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

1. Organization and Community Benefit Commitments

Dartmouth-Hitchcock Health (d/b/a Dartmouth Health), its members, and their Subsidiaries (collectively referred to as “the Dartmouth Health System”) is a system of hospitals, clinics, and other healthcare service providers across New Hampshire (NH) and Vermont (VT). The Dartmouth Health System advances health through research, education, clinical practice, and community partnerships, providing each person the best care, in the right place, at the right time, every time. The Dartmouth Health System seeks to achieve the healthiest population possible, leading the transformation of health care in the region and setting the standard for the nation. The Dartmouth Health System’s expanding network of services are the fabric of its commitment to serve the region with exceptional medical care.

Dartmouth Health serves as the sole corporate member of the following entities: Dartmouth-Hitchcock Clinic (DHC) and Subsidiaries, Mary Hitchcock Memorial Hospital (MHMH) and Subsidiaries, (DHC and MHMH together are referred to as Dartmouth-Hitchcock or D-H), The New London Hospital Association, Inc. (NLH), Windsor Hospital Corporation (d/b/a Mt. Ascutney Hospital and Health Center) (MAHHC) and Subsidiaries, The Cheshire Medical Center (Cheshire) and Subsidiaries, Alice Peck Day Memorial Hospital (APD) and Subsidiary, Visiting Nurse Association and Hospice of Vermont and New Hampshire (VNH) and Subsidiaries, Southwestern Vermont Health Care Corporation and Subsidiaries (SVHC), and Valley Regional Healthcare, Inc. and its Subsidiary (VRHC). VRHC became a subsidiary of the Dartmouth Health System on July 31, 2024.

The Dartmouth Health System currently operates one tertiary, two community, and four acute care (critical access) hospitals in NH and VT. One facility provides inpatient and outpatient rehabilitation medicine and long-term care. The Dartmouth Health System also operates multiple physician practices, a continuing care retirement community, and a home health and hospice service. The Dartmouth Health System operates a graduate level program for health professions and is the principal teaching affiliate of the Geisel School of Medicine (Geisel), a component of Dartmouth College.

Dartmouth Health, DHC, MHMH, NLH, Cheshire, VRHC, and APD are NH not-for-profit corporations exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC). MAHHC, VNH, and SVHC are VT not-for-profit corporations exempt from federal income taxes under Section 501(c)(3) of the IRC. On April 17, 2025, the Dartmouth Health System Board of Trustees approved the change of fiscal year end from June 30th to September 30th to align all of the System’s members to the same fiscal year end.

Community Benefits

The Dartmouth Health System provides high quality, cost effective, comprehensive, and integrated healthcare to individuals, families, and the communities it serves regardless of a patient’s ability to pay. The Dartmouth Health System actively supports community-based healthcare and promotes the coordination of services among healthcare providers and social services organizations. In addition, the Dartmouth Health System seeks to work collaboratively with other area healthcare providers to improve the health status of the region. Certain members of the Dartmouth Health

Dartmouth-Hitchcock Health (d/b/a Dartmouth Health) and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

System provide significant support for academic and research programs, as components of an integrated academic medical center.

Certain member hospitals of the Dartmouth Health System file annual Community Benefits Reports with the State of NH, which outline the community and charitable benefits each provides. VT hospitals are not required by law to file a state Community Benefit Report. The categories used in the Community Benefit Reports to summarize these benefits are as follows:

- *The Uncompensated Cost of Care for Medicaid* patients is the unreimbursed cost of providing care to Medicaid patients by the System. The System uses filed Community Benefits Reports, where available, and also tax filings, where necessary, to calculate this amount. The 2025 Community Benefits Reports are expected to be filed in February 2026.
- *Health Professions Education* includes uncompensated costs of training medical students, residents, nurses, and other health care professionals
- *Subsidized Health Services* are services provided by the Dartmouth Health System, resulting in financial losses that meet the needs of the community and would not otherwise be available unless the responsibility was assumed by the government.
- *Charity Care* includes losses, at-cost, incurred by providing health care services to persons qualifying for hospital financial assistance programs.
- *Community Health Improvement Services* include activities carried out to improve community health, and could include community health education (such as classes, programs, support groups, and materials that promote wellness and prevent illness), community-based clinical services (such as free clinics and health screenings), and healthcare support services (enrollment assistance in public programs, assistance in obtaining free or reduced costs medications, telephone information services, or transportation programs to enhance access to care, etc.).
- *Research* includes costs, in excess of awards, for numerous health research and service initiatives within the Dartmouth Health System.
- *Cash and In-Kind Contributions* occur outside of the System through various financial contributions of cash, in-kind donations, and grants to local organizations.
- *Community-Building Activities* include expenses incurred to support the development of programs and partnerships intended to address public health challenges, as well as social and economic determinants of health. Examples include physical improvements and housing, economic development, support system enhancements, environmental improvements, leadership development and training for community members, community health improvement advocacy, and workforce enhancement.

Dartmouth-Hitchcock Health (d/b/a Dartmouth Health) and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

The following table summarizes the value of the community benefit initiatives outlined for the year ended June 30, 2024:

(in thousands of dollars)

Uncompensated cost of care for Medicaid	\$	305,661
Health professional education		47,595
Subsidized health services		30,119
Charity care		20,848
Community health improvement services		13,308
Research		36,239
Cash and in-kind contributions		2,640
Community building activities		1,709
Total community benefit value	\$	<u><u>458,119</u></u>

In fiscal years 2025 and 2024, funds received to offset or subsidize charity care costs provided were approximately \$784,000 and \$365,000, respectively.

In fiscal years 2025 and 2024, Medicaid and Medicare costs exceeding reimbursement totaled approximately \$1,015,000, and \$916,423,000, respectively.

2. Summary of Significant Accounting Policies

Basis of Presentation

The Consolidated Financial Statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, and have been prepared consistent with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 954, *Healthcare Entities*, which addresses the accounting for healthcare entities. The net assets, revenue, expenses, gains, and losses of healthcare entities are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets without donor restrictions are amounts not subject to donor-imposed stipulations and are available for operations. Net assets with donor restrictions are those whose use has been limited by donors to a specific time period or purpose, or whose use has been restricted by donors to be maintained in perpetuity. All significant intercompany transactions have been eliminated upon consolidation.

Use of Estimates

The preparation of the Consolidated 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 dates of the Consolidated Financial Statements, and the reported amounts of revenues and expenses during the reporting periods. The most significant areas that are affected by the use of estimates include implicit and explicit pricing concessions, valuation of certain investments, estimated third-party settlements, insurance reserves, and pension obligations. Actual results may differ from those estimates.

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Notes to Consolidated Financial Statements

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Excess of Revenue over Expenses

The Consolidated Statements of Operations and Changes in Net Assets include the excess of revenue over expenses. Operating revenues consist of those items attributable to the care of patients, including contributions and investment income (loss) on investments of net assets without donor restrictions, which are utilized to provide charity and other operational support. Peripheral activities, including realized gains/losses on sales of investment securities and changes in unrealized gains/losses on investments are reported as non-operating gains (losses).

Changes in net assets without donor restrictions which are excluded from the excess of revenue over expenses, consistent with industry practice, include contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purpose of acquiring such assets), and change in funded status of pension and other postretirement benefit plans.

Charity Care

The Dartmouth Health System provides care to patients who meet certain criteria under their financial assistance policies without charge, or at amounts less than their established rates. Because the Dartmouth Health System does not anticipate collection of amounts qualifying as charity care, they are not reported as revenue.

The Dartmouth Health System grants credit, without collateral, to patients. Most are local residents and are insured under third-party arrangements. The charges for implicit price concessions is based upon management's assessment of historical and expected net collections, business and economic conditions, trends in federal and state governmental healthcare coverage, and other collection indicators (Notes 1 and 4).

Patient Service Revenue

The Dartmouth Health System applies the accounting provisions of ASC 606, *Revenue from Contracts with Customers* (ASC 606). Patient service revenue is reported at the amount of consideration to which the Dartmouth Health System expects to be entitled from patients, third party payors, and others, for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors and implicit pricing concessions. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as estimates change or final settlements are determined (Note 4).

Contracted Revenue

The Dartmouth Health System has various Professional Service Agreements (PSAs), pursuant to which certain organizations purchase services of personnel employed by the Dartmouth Health System and also lease space and equipment. Revenue pursuant to these PSAs, and certain facility and equipment leases and other professional service contracts, have been classified as contracted revenue in the accompanying Consolidated Statements of Operations and Changes in Net Assets.

Other Revenue

The Dartmouth Health System recognizes other revenue, which is not related to patient medical care but is central to the day-to-day operations of the Dartmouth Health System. Other revenue, which consists primarily of revenue from retail pharmacy, specialty pharmacy, and contract pharmacy, is recorded in the amounts to which it expects to be entitled in exchange for the

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prescriptions. Other revenue also includes Coronavirus Aid, Relief, and Economic Securities Act (CARES Act) Employee Retention Credit Funds, Federal Emergency Management Agency assistance, grant revenue, cafeteria sales, and other support service revenue (Note 4).

Cash Equivalents

Cash and cash equivalents include amounts on deposit with financial institutions, short-term investments with maturities of three months or less at the time of purchase, and other highly liquid investments (primarily cash management funds), which would be considered level 1 investments under the fair value hierarchy. All short-term, highly liquid, investments included within the Dartmouth Health System's endowment and similar investment pools, otherwise qualifying as cash equivalents, are classified as investments at fair value and, therefore, are excluded from cash and cash equivalents in the Consolidated Statements of Cash Flows.

Investments and Investment Income (Loss)

Investments in equity securities with readily determinable fair values, mutual funds, governmental securities, debt securities, and pooled/commingled funds are reported at fair value with changes in fair value included in the excess of revenues over expenses. Fair value is 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 (Note 7).

Investments in pooled/commingled investment funds, private equity funds, and hedge funds that represent investments where the Dartmouth Health System owns shares or units of funds rather than the underlying securities in that fund are valued using the equity method of accounting with changes in value recorded in the excess of revenue over expenses.

Certain members of the Dartmouth Health System are partners in a NH general partnership established for the purpose of operating a master investment program of pooled investment accounts. Substantially all of the Dartmouth Health System's board-designated and assets with donor restrictions, such as endowment funds, were invested in these pooled funds by purchasing units based on the market value of the pooled funds at the end of the month prior to receipt of any new additions to the funds. Interest, dividends, and realized and unrealized gains and losses earned on pooled funds are allocated monthly based on the weighted average units outstanding at the prior month-end.

Investment income or losses (including change in unrealized and realized gains and losses on investments, change in value of equity method investments, interest, and dividends) are included in the excess of revenue over expenses and classified as non-operating gains and losses, unless the income or loss is restricted by donor or law (Note 9).

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Fair Value Measurement of Financial Instruments

The Dartmouth Health System estimates fair value based on a valuation framework that uses a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of fair value hierarchy, as defined by ASC 820, *Fair Value Measurements and Disclosures*, are described below:

- | | |
|---------|--|
| Level 1 | Unadjusted quoted prices in active markets that are accessible at the measurement date for assets or liabilities. |
| Level 2 | Prices other than quoted prices in active markets that are either directly or indirectly observable as of the date of measurement. |
| Level 3 | Prices or valuation techniques that are both significant to the fair value measurement and unobservable. |

The carrying amounts of patient accounts receivable, prepaid and other current assets, and accounts payable and accrued expenses approximate fair value due to the short maturity of these instruments.

Property, plant, and equipment

Property, plant, and equipment, and other real estate are stated at cost at the time of purchase or fair value at the time of donation, less accumulated depreciation. The Dartmouth Health System's policy is to capitalize expenditures for major improvements and to charge expense for maintenance and repair expenditures which do not extend the lives of the related assets. The provision for depreciation has been determined using the straight-line method, at rates which are intended to amortize the cost of assets over their estimated useful lives. Estimated useful lives range from 10 to 40 years for buildings and improvements, 2 to 20 years for equipment, and the shorter of the lease term or 5 to 12 years, for leasehold improvements. Certain software development costs are amortized using the straight-line method over a period of up to 10 years. Net interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets.

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

Bond Issuance Costs

Bond issuance costs, classified on the Consolidated Balance Sheets within long-term debt, are amortized over the term of the related bonds. Amortization is recorded within interest expense in the Consolidated Statements of Operations and Changes in Net Assets using the straight-line method, which approximates the effective interest method.

Dartmouth-Hitchcock Health (d/b/a Dartmouth Health) and Subsidiaries

Notes to Consolidated Financial Statements

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Intangible Assets and Goodwill

The Dartmouth Health System records goodwill and intangible assets, such as trade names and leases-in-place, within other assets on the Consolidated Balance Sheets. The Dartmouth Health System considers goodwill and trade names to be indefinite-lived assets, assesses them at least annually for impairment, or more frequently if certain events or circumstances warrant, and recognizes impairment charges for amounts by which the carrying values exceed their fair values. The Dartmouth Health System has recorded approximately \$9,551,000 and \$10,509,000 as intangible assets as of June 30, 2025 and 2024, respectively.

Gifts

Gifts without donor restrictions are recorded as operating income. Conditional promises to give and indications of intentions to give to the Dartmouth Health System are reported at fair value at the date the gift is received. Gifts are reported with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the Consolidated Statements of Operations and Changes in Net Assets as net assets released from restrictions.

3. Acquisitions

VRHC

Effective July 31, 2024, VRHC became an affiliate of the Dartmouth Health System when Dartmouth Health became the sole corporate member of VRHC through an affiliation agreement. It's subsidiary, Valley Regional Hospital, is a not-for-profit corporation providing inpatient, outpatient, home health care, and primary care services. VRHC has a fiscal year end of September 30.

The Dartmouth Health System's Consolidated Financial Statements reflect eleven months of activity for VRHC, beginning on August 1, 2024.

In accordance with applicable accounting guidance on not-for-profit mergers and acquisitions, The Dartmouth Health System recorded contribution income of approximately \$44,515,000, reflecting the fair value of the contributed net assets of VRHC as of the transaction date, less acquisition costs totaling approximately \$240,000. Of this amount, \$36,799,000, representing total net assets less contributions, net of acquisition costs, is included as nonoperating gains in the accompanying Consolidated Statements of Operations and Changes in Net Assets. Donor restricted contributions totaling \$7,716,000 were recorded within donor restricted net assets in the accompanying Consolidated Statements of Operations and Changes in Net Assets. No consideration was exchanged for the net assets contributed, and acquisition costs are expensed as incurred.

The fair value of assets, liabilities, and net assets contributed by VRHC at July 31, 2024 were as follows:

**Dartmouth-Hitchcock Health (d/b/a Dartmouth Health) and
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Notes to Consolidated Financial Statements
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(in thousands of dollars)

Assets

Cash and cash equivalents	\$ 14,631
Patient accounts receivable, net	5,473
Prepaid expenses and other current assets	5,990
Property, plant, and equipment, net	12,278
Assets limited as to use	38,589
Other assets	<u>8,602</u>
Total assets acquired	\$ 85,563

Liabilities

Accounts payable and accrued expenses	\$ 6,758
Accrued compensation and related benefits	3,780
Long-term debt	16,971
Estimated third-party settlements	12,414
Other liabilities	<u>885</u>
Total liabilities assumed	40,808

Net Assets

Without donor restrictions	37,039
With donor restrictions	<u>7,716</u>
Total net assets	<u>44,755</u>
Total liabilities and net assets	<u><u>\$ 85,563</u></u>

A summary of the financial results of VRHC included in the Consolidated Statement of Operations and Changes in Net Assets for the period from the date of acquisition, July 31, 2024, through June 30, 2025 is as follows:

(in thousands of dollars)

Total operating revenues	\$ 66,231
Total operating expenses	<u>61,290</u>
Operating margin	4,941
Nonoperating gains	<u>2,953</u>
Excess of revenue over expenses	7,894
Net assets transferred from affiliate	<u>44,755</u>
Increase in net assets	<u><u>\$ 52,649</u></u>

Dartmouth-Hitchcock Health (d/b/a Dartmouth Health) and Subsidiaries

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A summary of the consolidated financial results of the Dartmouth Health System for the years ended June 30, 2025 and 2024, as if the transaction had occurred on July 1, 2023, is as follows (unaudited):

<i>(in thousands of dollars)</i>	<u>2025</u>	<u>2024</u>
Total operating revenues	\$ 4,186,952	\$ 3,677,754
Total operating expenses	<u>4,101,697</u>	<u>3,634,567</u>
Operating margin	85,255	43,187
Nonoperating gains	<u>129,829</u>	<u>230,719</u>
Excess of revenues over expenses	215,084	273,906
Net assets released from restriction used for capital purchases	2,560	15,150
Change in funded status of pension and other post retirement benefits	(618)	11,393
Change in fair value on interest rate swaps	<u>(64)</u>	<u>(52)</u>
Increase in net assets without donor restrictions	<u>\$ 216,962</u>	<u>\$ 300,397</u>

SVHC

Effective July 3, 2023, SVHC became an affiliate of the Dartmouth Health System when Dartmouth Health became the sole corporate member of SVHC through an affiliation agreement. SVHC is a not-for-profit corporation providing a continuum of patient care services to residents of southwestern Vermont, northwestern Massachusetts, and parts of New York. SVHC has a fiscal year end of September 30.

In accordance with applicable accounting guidance on not-for-profit mergers and acquisitions, The Dartmouth Health System recorded contribution income of approximately \$154,443,000, reflecting the fair value of the contributed net assets of SVHC as of the transaction date. Of this amount, \$129,689,000, representing total net assets less donor-restricted net assets, is included as nonoperating gains in the accompanying Consolidated Statements of Operations and Changes in Net Assets. Donor restricted net assets totaling \$24,754,000 were recorded within donor restricted net assets in the accompanying Consolidated Statements of Operations and Changes in Net Assets. No consideration was exchanged for the net assets contributed, and acquisition costs are expensed as incurred.

The fair value of assets, liabilities, and net assets contributed by SVHC at July 3, 2023 were as follows:

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(in thousands of dollars)

Assets	
Cash and cash equivalents	\$ 5,794
Patient accounts receivable, net	17,118
Prepaid expenses and other current assets	9,129
Property, plant, and equipment, net	70,946
Assets limited as to use	92,856
Other assets	<u>38,724</u>
Total assets acquired	\$ 234,567
Liabilities	
Accounts payable and accrued expenses	\$ 15,173
Accrued compensation and related benefits	8,580
Line of credit	13,700
Long-term debt	28,156
Estimated third-party settlements	3,838
Other liabilities	<u>10,677</u>
Total liabilities assumed	80,124
Net Assets	
Without donor restrictions	129,689
With donor restrictions	<u>24,754</u>
Total net assets	<u>154,443</u>
Total liabilities and net assets	<u><u>\$ 234,567</u></u>

A summary of the financial results of SVHC included in the Consolidated Statement of Operations and Changes in Net Assets for the period from the date of acquisition, July 3, 2023, through June 30, 2024 is as follows:

(in thousands of dollars)

Total operating revenues	\$ 216,946
Total operating expenses	<u>219,902</u>
Operating loss	(2,956)
Nonoperating gains	<u>7,020</u>
Excess of expenses over revenue	4,064
Net assets released from restriction used for capital purposes	5,083
Net assets transferred from affiliate	<u>129,689</u>
Increase in net assets	<u><u>\$ 138,836</u></u>

Dartmouth-Hitchcock Health (d/b/a Dartmouth Health) and Subsidiaries

Notes to Consolidated Financial Statements

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4. Net Patient Service Revenue and Accounts Receivable

The Dartmouth Health System reports net patient service revenue at amounts that reflect the consideration to which it expects to be entitled in exchange for providing patient care. These amounts are due from patients, third-party payors (including managed care payors and government programs), and others; and they include variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations. Generally, the Dartmouth Health System bills patients and third-party payors several days after the services were performed or shortly after discharge. Revenue is recognized as performance obligations are satisfied under contracts, by providing healthcare services to patients.

The Dartmouth Health System determines performance obligations based on the nature of the services provided. Revenues for performance obligations satisfied over time are recognized based on actual charges incurred, in relation to total expected charges, as this method provides a reasonable estimate of the transfer of services over the term of performance obligations based on inputs needed to satisfy the obligations. Generally, performance obligations satisfied over time relate to patients receiving inpatient acute care services. For inpatient services, performance obligations are measured from admission to the point when there are no further services required for the patient, which is generally the time of discharge. For outpatient services and physician services, performance obligations are recognized at a point in time when the services are provided and no further patient services are deemed necessary.

Generally, the Dartmouth Health System's patient service performance obligations relate to contracts with a duration of less than one year, therefore the Dartmouth Health System has elected to apply the optional exemption provided in ASC 606-10-50-14a and, as such, we are not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. This generally refers to inpatient services at the end of the reporting period. The performance obligations for these contracts are generally completed when the patients are discharged, which generally occurs within days or weeks of the end of the reporting period.

Established charges represent gross charges. They are not the same as actual pricing, and they generally do not reflect what a hospital is ultimately entitled to for services it provides. Therefore, they are not displayed in the Dartmouth Health System's Consolidated Statements of Operations and Changes in Net Assets.

Hospitals are paid amounts negotiated with insurance companies or set by government entities, which are typically less than established or standard charges. Gross charges are used to calculate Medicare outlier payments and to determine certain elements of payment under managed care contracts. Gross charges are what hospitals charge all patients prior to the application of contractual adjustments and implicit price concessions.

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Explicit Pricing Concessions

Revenues for the Dartmouth Health System under the traditional fee-for-service Medicare and Medicaid programs are based on prospectively determined rates per discharge or visit, reasonable (allowable) cost, or prospective rates per episodic period, depending on the type of provider.

- Inpatient acute care services provided to Medicare program beneficiaries are paid using the prospective payment system (PPS) to determine rates-per-discharge. These rates vary according to a patient classification system (DRG), based on diagnostic, clinical, and other factors. In addition, inpatient capital costs (depreciation and interest) are reimbursed by Medicare on the basis of a prospectively determined rate per discharge. Medicare outpatient services are paid on a prospective payment system, based on a pre-determined amount for each outpatient procedure (APC), subject to various mandated modifications. Retrospectively determined cost-based revenues under these programs, such as indirect medical education, direct graduate medical education, disproportionate share hospital, transplant services, and bad debt reimbursement are based on the hospital's cost reports and are estimated using historical trends and current factors. The Dartmouth Health System's payments for inpatient services rendered to NH and VT Medicaid beneficiaries are based on PPS, while outpatient services are reimbursed on a retrospective cost basis, or fee schedules, for NH beneficiaries. VT outpatient beneficiaries are paid on a prospective basis per outpatient procedure.
- Inpatient acute, swing, and outpatient services furnished by Critical Access Hospitals (CAH) are reimbursed by Medicare at 101% of reasonable costs, subject to 2% sequestration, excluding ambulance services and inpatient hospice care.
- Providers of home health services to patients eligible for Medicare home health benefits are paid on a prospective basis, with no retrospective settlement. The prospective payment is based on the scoring attributed to the acuity level of the patient at a rate determined by federal guidelines.
- Hospice services to patients eligible for Medicare hospice benefits are paid on a per diem basis, with no retrospective settlement, provided the aggregate annual Medicare reimbursement is below a predetermined aggregate capitated rate.
- The Dartmouth Health System's cost-based services to Medicare and Medicaid are reimbursed during the year, based on varying interim payment methodologies. Final settlement is determined after the submission of an annual cost report and subject to audit of this report by Medicare and Medicaid auditors, as well as administrative and judicial review. Because the laws, regulations, and rule interpretations governing Medicare and Medicaid reimbursement are complex and change frequently, the estimates recorded could change over time by material amounts.
- Revenues under Managed Care Plans (MCPs) consist primarily of payment terms involving mutually agreed upon rates per diagnosis, discounted fee-for-service rates, or similar contractual arrangements. These revenues are also subject to review and possible audit. The MCPs are billed for patient services on an individual patient basis. An individual patient's bill is subject to adjustments, in accordance with contractual terms in place with the MCPs following their review and adjudication of each bill.

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The Dartmouth Health System is not aware of any claims, disputes, or unsettled matters with any payor, that would materially affect its revenues, for which it has not adequately provided in the accompanying Consolidated Financial Statements.

The Dartmouth Health System provides charity care to patients who are unable to pay for healthcare services they receive as determined by financial conditions. Patients who qualify receive partial or full adjustments to charges for services rendered. The Dartmouth Health System's policy is to treat amounts qualified as charity care as explicit price concessions and, as such, they are not reported in net patient service revenue.

Implicit Price Concessions

Generally, patients who are covered by third-party payor contracts are responsible for related co-pays, co-insurance, and deductibles, which vary depending on the contractual obligations of patients. The Dartmouth Health System also provides services to uninsured patients and offers those patients a discount from standard charges. The Dartmouth Health System estimates the transaction price for patients with co-pays, co-insurance, and deductibles, and for those who are uninsured, based on historical collection experience and current market conditions. The discount offered to uninsured patients reduces the transaction price at the time of billing. The uninsured and patient responsible accounts, net of discounts recorded, are further reduced through implicit price concessions based on historical collection trends for similar accounts and other known factors that impact the estimation process. Subsequent changes to the estimate of transaction price are generally recorded as adjustments to net patient services revenue in the period of change.

The implicit price concessions included in estimating the transaction price represent the difference between amounts billed to patients and the amounts the Dartmouth Health System expects to collect, based on collection history with similar patients. Although outcomes vary, the Dartmouth Health System's policy is to attempt to collect amounts due from patients, including co-pays, co-insurance, and deductibles due from insurance at the time of service while complying with all federal and state statutes and regulations, including but not limited to, the Emergency Medical Treatment and Active Labor Act (EMTALA). Through various systems and processes the Dartmouth Health System estimates Medicare and Medicaid net patient service revenue and cost report settlements and accrues final expected settlements. For filed cost reports, the accrual is recorded based on those filings, subsequent activity, and on historical trends and other relevant evidence. For periods in which a cost report is yet to be filed, accruals are based on estimates of what is expected to be reported, and any trends and relevant evidence. Cost reports generally must be filed within five months of the closing period.

Settlements with third-party payors for retroactive revenue adjustments due to audits, reviews or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care using the most likely amount. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor, and historical settlement activity, including assessments to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known, or as years are settled or are no longer subject to such audits, reviews or investigations.

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For the years ended June 30, 2025 and 2024, additional increases in revenue of approximately \$8,493,000 and \$6,694,000, respectively, were recognized, due to changes in estimates of implicit price concessions for performance obligations satisfied in prior years.

Net operating revenues consist primarily of patient service revenues, principally for patients covered by Medicare, Medicaid, managed care and other health plans, as well as patients covered under the Dartmouth Health System's uninsured discount and charity care programs.

The table below shows the Dartmouth Health System's sources of total operating revenue and other support presented at the net transaction price for the years ended June 30, 2025 and 2024.

<i>(in thousands of dollars)</i>	2025		
	PPS	CAH	Total
Hospital			
Medicare	\$ 756,511	\$ 148,240	\$ 904,751
Medicaid	215,468	26,454	241,922
Commercial	1,332,460	120,682	1,453,142
Self-pay	<u>4,067</u>	<u>2,950</u>	<u>7,017</u>
Subtotal	2,308,506	298,326	2,606,832
Professional	<u>483,920</u>	<u>45,937</u>	<u>529,857</u>
Subtotal	<u>2,792,426</u>	<u>344,263</u>	3,136,689
Home based care			<u>10,763</u>
Total net patient service revenue			<u>\$ 3,147,452</u>
<i>(in thousands of dollars)</i>	2024		
	PPS	CAH	Total
Hospital			
Medicare	\$ 655,092	\$ 113,586	\$ 768,678
Medicaid	189,864	25,680	215,544
Commercial	1,199,567	85,726	1,285,293
Self-pay	<u>8,569</u>	<u>3,108</u>	<u>11,677</u>
Subtotal	2,053,092	228,100	2,281,192
Professional	<u>461,294</u>	<u>37,310</u>	<u>498,604</u>
Subtotal	<u>2,514,386</u>	<u>265,410</u>	2,779,796
Home based care			<u>11,518</u>
Total net patient service revenue			<u>\$ 2,791,314</u>

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Medicaid Enhancement Tax & Disproportionate Share Hospital

On May 22, 2018, the State of NH and all NH hospitals agreed to resolve disputed issues and enter into a seven-year agreement to stabilize Disproportionate Share Hospital (DSH) payments, with provisions for alternative payments in the event of legislative changes to the DSH program. The agreement with the State expired on June 30, 2024. On May 22, 2025, hospitals in New Hampshire and the State of New Hampshire agreed to a term sheet that updated the agreement until June 30, 2027. The State of New Hampshire and the New Hampshire Hospital Association are finalizing the agreement.

During the years ended June 30, 2025 and 2024, the Dartmouth Health System received DSH payments of approximately \$95,859,000 and \$96,411,000, respectively. DSH payments are subject to audit and, therefore, for the years ended June 30, 2025 and 2024, the Dartmouth Health System recognized as revenue DSH receipts of approximately \$105,720,000 and \$111,740,000, respectively.

During the years ended June 30, 2025 and 2024, the Dartmouth Health System paid and recorded \$119,082,000 and \$102,727,000, respectively, of NH MET and VT provider taxes. The taxes are calculated at 5.4%, for NH, and 6.0%, for VT, of certain patient service revenues. The NH MET and VT provider taxes are included in operating expenses in the Consolidated Statements of Operations and Changes in Net Assets.

Accounts Receivable

The following table categorizes payors into four groups based on their respective percentages of patient accounts receivable as of June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Medicare	39%	39%
Medicaid	12%	12%
Commercial	38%	37%
Self Pay	11%	12%
Total	<u>100%</u>	<u>100%</u>

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5. Investments

The composition of investments at June 30, 2025 and 2024 is set forth in the following table:

<i>(in thousands of dollars)</i>	<u>2025</u>	<u>2024</u>
Assets limited as to use		
Internally designated by board		
Cash and short-term investments	\$ 1,906	\$ 11,172
U.S. government securities	82,975	90,786
Domestic corporate debt securities	309,916	314,744
Global debt securities	36,073	32,198
Domestic equities	332,337	250,418
International equities	102,425	95,732
Emerging markets equities	59,687	47,031
Global equities	104,450	91,609
Real Estate Investment Trust	172	104
Private equity funds	179,047	159,387
Hedge funds	78,873	59,185
Other	949	77
Subtotal	1,288,810	1,152,443
Investments held by captive insurance companies (Note 12)		
U.S. government securities	47,322	39,420
Domestic corporate debt securities	14,787	11,001
Global debt securities	13,826	13,025
Domestic equities	19,765	11,118
International equities	7,501	6,372
Subtotal	103,201	80,936
Held by trustee under indenture agreement (Note 10)		
Cash and short-term investments	246,510	777
Total assets limited as to use	1,638,521	1,234,156
Other investments for restricted activities		
Cash and short-term investments	14,162	6,673
U.S. government securities	30,983	33,784
Domestic corporate debt securities	61,232	60,369
Global debt securities	4,733	4,924
Domestic equities	59,221	46,721
International equities	18,544	17,716
Emerging markets equities	10,463	8,397
Global equities	17,706	14,904
Real Estate Investment Trust	-	19
Private equity funds	30,350	25,930
Hedge funds	14,013	10,135
Other	48	54
Total other investments for restricted activities	261,455	229,626
Total investments	\$ 1,899,976	\$ 1,463,782

Dartmouth-Hitchcock Health (d/b/a Dartmouth Health) and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

Investments are accounted for using either the fair value method or equity method of accounting, as appropriate on a case-by-case basis. The fair value method is used for all debt securities and equity securities that are traded on active markets and are valued at prices that are readily available in those markets. The equity method is used when investments are made in pooled/commingled investment funds that represent investments where shares or units are owned of pooled funds rather than the underlying securities in that fund. These pooled/commingled funds make underlying investments in securities from the asset classes listed above.

The following tables summarize investments by the accounting method utilized as of June 30, 2025 and 2024. Accounting standards require disclosure of additional information for those securities accounted for using the fair value method, as shown in Note 7.

	2025		
<i>(in thousands of dollars)</i>	Fair Value	Equity	Total
Cash and short-term investments	\$ 262,578	\$ -	\$ 262,578
U.S. government securities	161,280	-	161,280
Domestic corporate debt securities	129,959	255,976	385,935
Global debt securities	54,632	-	54,632
Domestic equities	348,543	62,780	411,323
International equities	76,677	51,793	128,470
Emerging markets equities	709	69,441	70,150
Global equities	-	122,156	122,156
Real Estate Investment Trust	172	-	172
Private equity funds	-	209,397	209,397
Hedge funds	643	92,243	92,886
Other	997	-	997
Total investments	\$ 1,036,190	\$ 863,786	\$ 1,899,976

	2024		
<i>(in thousands of dollars)</i>	Fair Value	Equity	Total
Cash and short-term investments	\$ 18,622	\$ -	\$ 18,622
U.S. government securities	163,990	-	163,990
Domestic corporate debt securities	153,782	232,332	386,114
Global debt securities	50,147	-	50,147
Domestic equities	256,605	51,652	308,257
International equities	83,754	36,066	119,820
Emerging markets equities	7,451	47,977	55,428
Global equities	-	106,513	106,513
Real Estate Investment Trust	123	-	123
Private equity funds	-	185,317	185,317
Hedge funds	507	68,813	69,320
Other	131	-	131
Total investments	\$ 735,112	\$ 728,670	\$ 1,463,782

Dartmouth-Hitchcock Health (d/b/a Dartmouth Health) and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

For the years ended June 30, 2025 and 2024, investment income is reflected in the accompanying Consolidated Statements of Operations and Changes in Net Assets as other operating revenue of approximately \$980,000 and \$830,000, respectively, and as non-operating gains of approximately \$138,138,000 and \$124,724,000, respectively.

Private equity limited partnership shares are not eligible for redemption from the fund or general partner. It is the intent of the Dartmouth Health System to hold these investments until the fund has fully distributed all proceeds to the limited partners and the term of the partnership agreements expire. Under the terms of these agreements, the Dartmouth Health System has committed to contribute a specified level of capital over a defined period of time. Through June 30, 2025 and 2024, the Dartmouth Health System has outstanding commitments of approximately \$110,198,000 and \$97,410,000, respectively.

6. Property, Plant, and Equipment

Property, plant, and equipment consists of the following at June 30, 2025 and 2024:

<i>(in thousands of dollars)</i>	<u>2025</u>	<u>2024</u>
Land	\$ 57,496	\$ 57,684
Construction in progress	85,999	48,001
Land improvements	63,195	62,121
Buildings and improvements	1,359,069	1,290,315
Equipment	<u>1,211,013</u>	<u>1,159,947</u>
Subtotal property, plant, and equipment	2,776,772	2,618,068
Less accumulated depreciation	<u>(1,790,978)</u>	<u>(1,696,748)</u>
Total property, plant, and equipment, net	<u>\$ 985,794</u>	<u>\$ 921,320</u>

As of June 30, 2025, construction in progress primarily consists of four projects; completion of the Pavilion buildout in Lebanon, NH (including inpatient rooms, inpatient radiology, renovation of MICU and neuro areas, and Pavilion support projects); the Manchester Radiation Therapy Project in Manchester, NH; the relocation and renovation of clinic space in Bedford, NH; and the Medical Office Building for Valley Regional Hospital in Claremont, NH. The estimated cost to complete the construction in progress is approximately \$217,707,000.

As of June 30, 2024, construction in progress primarily consisted of three projects; the renovation of inpatient wings as part of the Pavilion backfill project located in Lebanon, NH, the ambulatory expansion project in Manchester, NH, and the lab software upgrade to the Lebanon, Cheshire, New London, and Alice Peck Day locations.

Capitalized interest of approximately \$764,303 and \$0 is included in construction in progress as of June 30, 2025 and 2024, respectively.

Dartmouth-Hitchcock Health (d/b/a Dartmouth Health) and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

Depreciation expense included in operating activities was approximately \$94,941,000 and \$87,732,000 for 2025 and 2024, respectively.

7. Fair Value Measurements

The following is a description of the valuation methodologies for assets and liabilities measured at fair value on a recurring basis:

- *Cash and Short-Term Investments* consists of money market funds and are valued at net asset value (NAV) reported by the financial institution and cash which will be used for future investment opportunities.
- *Domestic, Emerging Markets and International Equities* consist of actively traded equity securities and mutual funds which are valued at the closing price reported on an active market on which the individual securities are traded (Level 1 measurements).
- *U.S. Government Securities, Domestic Corporate and Global Debt Securities* consists of U.S. government securities, domestic corporate and global debt securities, mutual funds and pooled/commingled funds that invest in U.S. government securities, domestic corporate and global debt securities. Securities are valued based on quoted market prices or dealer quotes where available (Level 1 measurement). If quoted market prices are not available, fair values are based on quoted market prices of comparable instruments or, if necessary, matrix pricing from a third-party pricing vendor to determine fair value (Level 2 measurements). Matrix prices are based on quoted prices for securities with similar coupons, ratings and maturities, rather than on specific bids and offers for a designated security. Investments in mutual funds are measured based on the quoted NAV as of the close of business in the respective active market (Level 1 measurements).

Investments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The following tables set forth the consolidated financial assets and liabilities that were accounted for at fair value on a recurring basis as of June 30, 2025 and 2024:

Dartmouth-Hitchcock Health (d/b/a Dartmouth Health) and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

	2025			
<i>(in thousands of dollars)</i>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
Investments				
Cash and short term investments	\$ 262,578	\$ -	\$ -	\$ 262,578
U.S. government securities	161,280	-	-	161,280
Domestic corporate debt securities	50,080	79,879	-	129,959
Global debt securities	25,423	29,209	-	54,632
Domestic equities	315,834	32,709	-	348,543
International equities	10,001	66,676	-	76,677
Emerging market equities	709	-	-	709
Real estate investment trust	172	-	-	172
Hedge funds	643	-	-	643
Other	961	36	-	997
Total fair value investments	827,681	208,509	-	1,036,190
Deferred compensation plan assets				
Cash and short-term investments	15,473	-	-	15,473
Domestic corporate debt securities	12,462	-	-	12,462
Domestic equities	64,081	-	-	64,081
International equities	8,830	-	-	8,830
Multi strategy fund	76,892	-	-	76,892
Total deferred compensation plan assets	177,738	-	-	177,738
Beneficial interest in trusts	-	-	26,707	26,707
Total assets	\$ 1,005,419	\$ 208,509	\$ 26,707	\$ 1,240,635

	2024			
<i>(in thousands of dollars)</i>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
Investments				
Cash and short term investments	\$ 18,622	\$ -	\$ -	\$ 18,622
U.S. government securities	163,990	-	-	163,990
Domestic corporate debt securities	78,164	75,618	-	153,782
Global debt securities	24,925	25,222	-	50,147
Domestic equities	234,107	22,498	-	256,605
International equities	23,810	59,944	-	83,754
Emerging market equities	7,451	-	-	7,451
Real estate investment trust	123	-	-	123
Hedge funds	507	-	-	507
Other	96	35	-	131
Total fair value investments	551,795	183,317	-	735,112

(continued)

Dartmouth-Hitchcock Health (d/b/a Dartmouth Health) and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

(continued)

Deferred compensation plan assets				
Cash and short-term investments	14,463	-	-	14,463
Domestic corporate debt securities	9,519	-	-	9,519
Domestic equities	54,140	-	-	54,140
International equities	7,042	-	-	7,042
Multi strategy fund	66,984	-	-	66,984
Total deferred compensation plan assets	152,148	-	-	152,148
Beneficial interest in trusts	-	-	19,466	19,466
Total assets	\$ 703,943	\$ 183,317	\$ 19,466	\$ 906,726

There were no transfers into or out of Level 1, 2, or 3 measurements due to changes in valuation methodologies during the years ended June 30, 2025 and 2024.

There were no liquidations of Level 3 measurements during the years ended June 30, 2025 and 2024.

8. Net Assets with Donor Restrictions

Net assets with donor restrictions are available for the following purposes at June 30, 2025 and 2024:

<i>(in thousands of dollars)</i>	<u>2025</u>	<u>2024</u>
Investments held in perpetuity	\$ 119,459	\$ 109,649
Healthcare services	86,550	68,660
Research	33,415	30,663
Health education	27,808	23,708
Other	22,861	18,006
Charity care	15,566	14,241
Purchase of equipment	19,296	13,756
Total net assets with donor restrictions	\$ <u>324,955</u>	\$ <u>278,683</u>

Income earned on donor restricted net assets held in perpetuity is available for these purposes.

9. Board Designated and Endowment Funds

Net assets include funds established for a variety of purposes including both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. Net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Dartmouth-Hitchcock Health (d/b/a Dartmouth Health) and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

The Dartmouth Health System has interpreted the NH and VT Uniform Prudent Management of Institutional Funds Acts (UPMIFA or Act) for donor-restricted endowment funds as requiring the preservation of the original value of gifts, as of the gift date, to donor-restricted endowment funds, absent explicit donor stipulations to the contrary. The Dartmouth Health System's net assets with donor restrictions, which are to be held in perpetuity, consist of (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to be held in perpetuity, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund, if any. Collectively these amounts are referred to as the historic dollar value of the fund.

Net assets without donor restrictions include funds designated by the Board of Trustees to function as endowments, the income from certain donor-restricted endowment funds, and any accumulated investment return thereon, which pursuant to donor intent may be expended based on trustee or management designation. Net assets with donor restrictions that are temporary in nature, either restricted by time or purpose, include funds appropriated for expenditure pursuant to endowment and investment spending policies, certain expendable endowment gifts from donors, and any retained income and appreciation on donor-restricted endowment funds, which are restricted by the donor to a specific purpose or by law. When the restrictions on these funds have been met, the funds are reclassified to net assets without donor restrictions.

In accordance with the Act, the Dartmouth Health System considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: the duration and preservation of the fund; the purposes of the donor-restricted endowment fund; general economic conditions; the possible effect of inflation and deflation; the expected total return from income and the appreciation of investments; other resources available; and investment policies.

The Dartmouth Health System has endowment investment and spending policies that attempt to provide a predictable stream of funding for programs supported by its endowment while ensuring that the purchasing power does not decline over time. The Dartmouth Health System targets a diversified asset allocation that places emphasis on investments in domestic and international equities, fixed income, private equity, and hedge fund strategies to achieve its long-term return objectives within prudent risk constraints. The Dartmouth Health System's Investment Committee reviews the policy portfolio asset allocations, exposures, and risk profile on an ongoing basis.

The Dartmouth Health System, as a policy, may appropriate for expenditure or accumulate so much of an endowment fund as the institution determines is prudent for the uses, benefits, purposes, and duration for which the endowment is established, subject to donor intent expressed in the gift instrument and the standard of prudence prescribed by the Act.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below their original contributed value. Such market losses were not material as of June 30, 2025 and 2024.

Dartmouth-Hitchcock Health (d/b/a Dartmouth Health) and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

Endowment net asset composition by type of fund consists of the following at June 30, 2025 and 2024:

	2025		
<i>(in thousands of dollars)</i>	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 161,081	\$ 161,081
Board-designated endowment funds	29,080	-	29,080
Total endowed net assets	<u>\$ 29,080</u>	<u>\$ 161,081</u>	<u>\$ 190,161</u>

	2024		
<i>(in thousands of dollars)</i>	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 139,933	\$ 139,933
Board-designated endowment funds	30,085	-	30,085
Total endowed net assets	<u>\$ 30,085</u>	<u>\$ 139,933</u>	<u>\$ 170,018</u>

Changes in endowment net assets for the years ended June 30, 2025 and 2024 are as follows:

	2025		
<i>(in thousands of dollars)</i>	Without Donor Restrictions	With Donor Restrictions	Total
Beginning of year balances	\$ 30,085	\$ 139,933	\$ 170,018
Net investment return	471	12,901	13,372
Contributions	-	6,861	6,861
Transfers	1,940	3,930	5,870
Release of appropriated funds	(3,416)	(2,544)	(5,960)
End of year balances	<u>\$ 29,080</u>	<u>\$ 161,081</u>	<u>\$ 190,161</u>
Beneficial interest in perpetual trusts		<u>25,777</u>	
Net assets with donor restrictions		<u>\$ 186,858</u>	

**Dartmouth-Hitchcock Health (d/b/a Dartmouth Health) and
Subsidiaries**
Notes to Consolidated Financial Statements
June 30, 2025 and 2024

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
<i>(in thousands of dollars)</i>			
Beginning of year balances	\$ 28,688	\$ 111,843	\$ 140,531
Net investment return	411	11,894	12,305
Contributions	-	12,627	12,627
Transfers	1,055	11,165	12,220
Release of appropriated funds	(69)	(7,596)	(7,665)
End of year balances	<u>\$ 30,085</u>	<u>\$ 139,933</u>	<u>\$ 170,018</u>
Beneficial interest in perpetual trusts		<u>18,596</u>	
Net assets with donor restrictions		<u>\$ 158,529</u>	

10. Long-Term Debt

MHMH established the Dartmouth-Hitchcock Obligated Group (DHOG) for the purpose of issuing bonds financed through New Hampshire Health and Education Facilities Authority (NHHEFA) or the "Authority". The members of the obligated group at June 30, 2025 and 2024 consist of Dartmouth Health, MHMH, DHC, NLH, MAHHC, and APD. Dartmouth Health is designated as the obligated group agent.

Effective June 26, 2023, after approval from the Dartmouth Health Board of Trustees, Cheshire withdrew from the DHOG. The Cheshire Series 2012 bonds and the related obligated group note securing the Cheshire bonds, will remain outstanding and therefore constitute a continuing joint and several obligation of the DHOG.

Revenue bonds, issued by members of the DHOG, are administered through notes registered in the name of the Bond Trustee and in accordance with the terms of a Master Trust Indenture. The Master Trust Indenture contains provisions permitting the addition, withdrawal, or consolidation of members of the DHOG under certain conditions. The notes constitute a joint and several obligation of the members of the DHOG (and any other future members of the DHOG) and are equally and ratably collateralized by a pledge of the members' gross receipts. The DHOG is also subject to certain annual covenants under the Master Trust Indenture, the most restrictive is the Annual Debt Service Coverage Ratio (1.10x).

Dartmouth-Hitchcock Health (d/b/a Dartmouth Health) and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

A summary of long-term debt at June 30, 2025 and 2024 is as follows:

<i>(in thousands of dollars)</i>	<u>2025</u>	<u>2024</u>
Fixed rate issues		
New Hampshire Health and Education Facilities		
Authority Revenue Bonds		
Series 2025, principal maturing in varying annual amounts, through August 2055 (1)	\$ 416,205	\$ -
Series 2018B, principal maturing in varying annual amounts, through August 2048 (2)	303,102	303,102
Series 2020A, principal maturing in varying annual amounts, through August 2059 (3)	125,000	125,000
Series 2017A, principal maturing in varying annual amounts, through August 2040 (4)	122,435	122,435
Series 2019A, principal maturing in varying annual amounts, through August 2043 (5)	99,165	99,165
Series 2018A, principal maturing in varying annual amounts, through August 2037 (2)	77,770	81,040
Series 2017B, principal maturing in varying annual amounts, through August 2031 (4)	-	98,750
Series 2018C, principal maturing in varying annual amounts, through August 2030 (6)	-	22,035
Series 2012, principal maturing in varying annual amounts, through July 2039 (7)	-	20,800
Series 2014B, principal maturing in varying annual amounts, through August 2033 (8)	-	14,530
Series 2016B, principal maturing in varying annual amounts, through August 2045 (9)	-	10,970
Note payable		
Note payable to a financial institution due in varying annual amounts through 2035 (10)	122,145	125,000
Note payable to a financial institution due in varying annual amounts through 2035 (11)	<u>100,000</u>	<u>100,000</u>
Total obligated group debt	\$ 1,365,822	\$ 1,122,827

(continued)

Dartmouth-Hitchcock Health (d/b/a Dartmouth Health) and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

(continued)

Other

2021 Series B Hospital Bonds, including monthly payments of \$227,000, including interest of 2.68%, maturing in December, 2031.

	\$	17,641	\$	20,365
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A mortgage note payable to the US Dept of Agriculture including monthly payments of \$77,406, including interest of 3.25%, maturing in January, 2053.

	16,903	-
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2021 Series A Hospital Bonds, including monthly payments ranging from \$24,167 to \$32,917, including interest of 2.75%, maturing in December, 2031.

	5,260	5,557
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Mortgage note payable to the US Dept of Agriculture including monthly payments of \$10,892, including interest of 2.375%, maturing in November, 2046.

	2,190	2,267
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Note payable to the Town of Bennington, VT, with a fixed interest rate of 3%. Payment of principal and interest are deferred until March 1, 2026, at which time annual payments will be made.

	511	511
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Note payable to a financial institution, with principal balance due in full in June, 2034; collateralized by land and building. The note payable is interest free.

	220	341
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Total nonobligated group debt

	42,725	29,041
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Total long-term debt

	1,408,547	1,151,868
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Add original issue premium and discounts, net

	87,991	76,975
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Less: Current portion

	(10,121)	(22,426)
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Debt issuance costs, net

	(8,744)	(6,492)
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Total long-term debt, net

	\$ 1,477,673	\$ 1,199,925
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(1) Series 2025 Revenue Bonds

The DHOG issued NHHEFA Revenue Bonds, Series 2025, in May, 2025. The Series 2025 revenue bonds mature in variable amounts through 2055 and are being used primarily to fund Phase 2 of construction of the inpatient pavilion in Lebanon, NH, as well as various equipment, to refund a portion of Series 2012 revenue bonds, Series 2014B revenue bonds, 2016B revenue bonds, Series 2017B revenue bonds, and Series 2018C revenue bonds. The interest on the Series 2025 revenue bonds is fixed, based on the maturity of the annual amounts, with a current interest rate of 5.00%.

Dartmouth-Hitchcock Health (d/b/a Dartmouth Health) and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

(2) Series 2018A and Series 2018B Revenue Bonds

The DHOG issued NHHEFA Revenue Bonds, Series 2018A and Series 2018B, in February, 2018. The Series 2018A revenue bonds mature in variable amounts through 2037 and were used primarily to refund a portion of Series 2015A and Series 2016A revenue bonds. The Series 2018B revenue bonds mature in variable amounts through 2048, and were used primarily to refund a portion of Series 2015A and Series 2016A revenue bonds, revolving line of credit, Series 2012 bank loan, and the Series 2015A and Series 2016A swap terminations. The interest on the Series 2018A revenue bonds is fixed, based on the maturity of the annual amounts, with a current interest rate of 5.00%. The interest on the Series 2018B revenue bonds is fixed, with an interest rate of 4.18%, and matures in variable amounts through 2048.

(3) Series 2020A Revenue Bonds

The DHOG issued NHHEFA Revenue Bonds, Series 2020A, in February, 2020. The Series 2020A revenue bonds mature in variable amounts through 2059 and the proceeds were used primarily to fund Phase 1 of the construction of a 212,000 square foot inpatient pavilion in Lebanon, NH, as well as various equipment. The interest on the Series 2020A revenue bonds is fixed, with an interest rate of 5.00%.

(4) Series 2017A and Series 2017B Revenue Bonds

The DHOG issued NHHEFA Revenue Bonds, Series 2017A and Series 2017B, in December, 2017. The Series 2017A revenue bonds mature in variable amounts through 2040 and were used primarily to refund Series 2009 and Series 2010 revenue bonds. The Series 2017B revenue bonds mature in variable amounts through 2031 and were used to refund Series 2012A and Series 2012B revenue bonds. The interest on the Series 2017A revenue bonds is fixed, with an interest rate of 5.00%. The interest on the Series 2017B revenue bonds is fixed, with an interest rate of 2.54%. The Series 2017B revenue bonds were refunded in May, 2025.

(5) Series 2019A Revenue Bonds

The DHOG issued NHHEFA Revenue Bonds, Series 2019A, in October, 2019. The Series 2019A revenue bonds mature in variable amounts through 2043 and were used primarily to fund the construction of a 91,000 square foot expansion of facilities in Manchester, NH, to include an Ambulatory Surgical Center as well as various equipment. The interest on the Series 2019A revenue bonds is fixed, with an interest rate of 4.00%.

(6) Series 2018C Revenue Bonds

The DHOG issued NHHEFA Revenue Bonds, Series 2018C, in August, 2018. The Series 2018C revenue bonds mature in variable amounts through 2030 and were used primarily to refinance the Series 2010 revenue bonds. The interest on the Series is fixed, with an interest rate of 3.22%. The Series 2018C revenue bonds were refunded in May, 2025.

(7) Series 2012 Revenue Bonds

The DHOG issued NHHEFA Revenue Bonds, Series 2012, in November, 2012. The Series 2012 revenue bonds mature in variable amounts through 2039 and were used to refund 1998 and 2009 Series revenue bonds, finance the settlement cost of the interest rate swap, and finance the purchase of certain equipment and renovations. The revenue bonds have fixed interest coupon rates ranging from 2.0% to 5.0% (a net interest cost of 3.96%). The Series 2012 revenue bonds were defeased in May, 2025.

Dartmouth-Hitchcock Health (d/b/a Dartmouth Health) and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

(8) Series 2014B Revenue Bonds

The DHOG issued Series 2014B NHHEFA Revenue in August, 2014. The Series 2014B revenue bonds mature at various dates through 2033. The proceeds from the 2014B revenue bonds were used partially to refund the Series 2009 revenue bonds and to cover cost of issuance. Interest on Series 2014B revenue bonds is fixed, with an interest rate of 4.00%. The Series 2014B revenue bonds were defeased in May, 2025.

(9) Series 2016B Revenue Bonds

The DHOG issued NHHEFA Revenue Bonds, Series 2016B, in July, 2016, through a private placement with a financial institution. The Series 2016B revenue bonds mature at various dates through 2045, and were used to finance certain 2016 projects. The Series 2016B is fixed, with an interest rate of 1.78%. The Series 2016B revenue bonds were refunded in May, 2025.

(10) 2020 note payable to financial institution

The DHOG issued a note payable to TD Bank in the amount of \$125,000,000 in May, 2020. The note matures at various dates through 2035 and is fixed, with an interest rate of 2.56%.

(11) 2023 note payable to financial institution

The DHOG issued a note payable to TD Bank in the amount of \$100,000,000 in October, 2023. The note matures at various dates through 2040 and is fixed, with an interest rate of 4.86%.

Outstanding joint and several indebtedness of the DHOG at June 30, 2025 and 2024 is approximately \$1,365,822,000 and \$1,122,827,000, respectively.

Aggregate annual principal payments of total long-term debt for the next five years ending June 30 and thereafter are as follows:

<i>(in thousands of dollars)</i>	<u>2025</u>
2026	\$ 10,121
2027	11,507
2028	11,809
2029	12,277
2030	13,019
Thereafter	<u>1,349,814</u>
Total	\$ 1,408,547

The Dartmouth Health System Indenture Agreements require establishment and maintenance of debt service reserves and other trustee held funds. Trustee held funds of approximately \$246,510,000 and \$777,000 at June 30, 2025 and 2024, respectively, are classified as assets limited as to use in the accompanying Consolidated Balance Sheets (Note 5). In addition, debt service reserves of approximately \$21,186,000 and \$48,000 at June 30, 2025 and 2024, respectively, are classified as other current assets in the accompanying Consolidated Balance

Dartmouth-Hitchcock Health (d/b/a Dartmouth Health) and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

Sheets. The debt service reserves are mainly comprised of escrowed construction funds at June 30, 2025 and 2024.

For the years ended June 30, 2025 and 2024, interest expense on the Dartmouth Health System's long-term debt is reflected in the accompanying Consolidated Statements of Operations and Changes in Net Assets as operating expenses of approximately \$40,237,000 and \$40,869,000, respectively, and other non-operating losses of approximately \$9,318,000 and \$8,203,000, respectively, net of amounts capitalized.

11. Employee Benefits

Eligible employees of the Dartmouth Health System are covered under various defined benefit and/or defined contribution plans. In addition, certain members provide postretirement medical and life insurance benefit plans to certain active and former employees who meet eligibility requirements.

A summary of the liability for postretirement and other postretirement plan benefits reported in the Consolidated Balance Sheets at June 30 are as follows:

<i>(in thousands of dollars)</i>	<u>2025</u>	<u>2024</u>
Current portion of liability for postretirement medical and life benefits*	\$ <u>(2,973)</u>	\$ <u>(3,241)</u>
Current portion of liability for pension and other postretirement plan benefits	\$ (2,973)	\$ (3,241)
Long-term portion of liability for pension	\$ (182,564)	\$ (184,288)
Long-term portion of liability for postretirement medical and life benefits	<u>(22,444)</u>	<u>(27,472)</u>
Liability for pension and other postretirement plan benefits, excluding current portion	\$ <u>(205,008)</u>	\$ <u>(211,760)</u>
Total liability for pension and other postretirement plan benefits	\$ <u><u>(207,981)</u></u>	\$ <u><u>(215,001)</u></u>

* Included within accrued compensation and related benefits on the Consolidated and Consolidating Balance Sheets.

Defined Benefit Plans

The Dartmouth Health System's defined benefit plans have been frozen and, therefore, there are no remaining participants earning benefits in any of the Dartmouth Health System's defined benefit plans.

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Notes to Consolidated Financial Statements

June 30, 2025 and 2024

Net periodic pension expense included in employee benefits expense, in the Consolidated Statements of Operations and Changes in Net Assets, is comprised of the following components for the years ended June 30, 2025 and 2024:

<i>(in thousands of dollars)</i>	<u>2025</u>	<u>2024</u>
Interest cost on projected benefit obligation	\$ 45,838	\$ 46,921
Expected return on plan assets	(39,502)	(41,321)
Net loss amortization	15,775	15,248
Settlement	-	13,287
Total net periodic pension expense	<u>\$ 22,111</u>	<u>\$ 34,135</u>

The following assumptions were used to determine net periodic pension expense as of June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Discount rates	6.00%	4.85 - 5.90%
Rate of increase in compensation	N/A	N/A
Expected long-term rates of return on plan assets	7.25%	4.85 - 7.25%

The following table sets forth the funded status and amounts recognized in the Dartmouth Health System's Consolidated Financial Statements for the defined benefit pension plans at June 30, 2025 and 2024:

<i>(in thousands of dollars)</i>	<u>2025</u>	<u>2024</u>
Change in benefit obligation		
Benefit obligation, beginning of year	\$ 793,762	\$ 866,750
Interest cost	45,838	46,921
Benefits paid	(59,019)	(59,301)
Experience loss	-	(1,809)
Actuarial gain/(loss)	25,027	2,643
Settlements	-	(61,442)
Benefit obligation, end of year	<u>805,608</u>	<u>793,762</u>
Change in plan assets		
Fair value of plan assets, beginning of year	609,474	689,744
Actual return on plan assets	42,589	23,005
Benefits paid	(59,019)	(59,301)
Employer contributions	30,000	17,468
Settlements	-	(61,442)
Fair value of plan assets, end of year	<u>623,044</u>	<u>609,474</u>
Funded status of the plans	\$ (182,564)	\$ (184,288)
Current portion of liability for pension	\$ -	\$ -
Long-term portion of liability for pension	<u>(182,564)</u>	<u>(184,288)</u>
Liability for pension	<u>\$ (182,564)</u>	<u>\$ (184,288)</u>

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During the year ended June 30, 2025, the benefit obligation for the pension plan increased \$25,027,000 from actuarial losses resulting from a drop in the discount rate from 6.00% to 5.80% (reflecting current market conditions), demographic experience (retirements, terminations, deaths) at different rates than expected, and a retirement rate assumption update.

As of June 30, 2025 and 2024, the liability for pension is included in the liability for pension and other postretirement plan benefits in the accompanying Consolidated Balance Sheets.

Amounts not yet reflected in net periodic pension expense and included in the change in net assets without donor restrictions include approximately \$486,266,000 and \$480,101,000 of net actuarial loss as of June 30, 2025 and 2024, respectively.

The amounts amortized from net assets without donor restrictions into net periodic pension expense in fiscal year 2025 for net actuarial losses was approximately \$15,775,000.

The following table sets forth the assumptions used to determine the accumulated benefit obligation at June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Discount rates	5.80%	6.00%
Rate of increase in compensation	N/A	N/A

The primary investment objective for the defined benefit plans' assets is to support the pension liabilities of the pension plans for employees of the Dartmouth Health System, by providing long-term capital appreciation and by also using a Liability Driven Investing (LDI) strategy to partially hedge the impact fluctuating interest rates have on the value of the pension plan's liabilities. As of June 30, 2025, it is expected that the LDI strategy will hedge approximately 75% of the interest rate risk associated with pension liabilities. As of June 30, 2024, the expected LDI hedge was approximately 75%. To achieve the appreciation and hedging objectives, the pension plans utilize a diversified structure of asset classes. The asset classes are designed to achieve stated performance objectives, measured on a total return basis which includes income plus realized and unrealized gains and losses.

The range of target allocation percentages and the target allocations for the various investments are as follows:

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June 30, 2025 and 2024

	<u>Range of Target Allocations</u>	<u>Target Allocations</u>
Cash and short-term investments	0–5%	2%
U.S. government securities	0–20	16
Domestic debt securities	20–58	40
Global debt securities	0–26	0
Domestic equities	5–35	15
International equities	5–15	6
Emerging market equities	3–13	4
Global Equities	0-10	7
Real estate investment trust funds	0-5	0
Private equity funds	0-5	0
Hedge funds	5-18	10

To the extent an asset class falls outside of its target range on a quarterly basis, the Dartmouth Health System shall determine appropriate steps, as it deems necessary, to rebalance the asset class.

The Boards of Trustees of the Dartmouth Health System, as plan sponsors, oversee the design, structure, and prudent professional management of the Dartmouth Health System’s pension plans’ assets, in accordance with Board approved investment policies, roles, responsibilities, and authorities and more specifically the following:

- Establishing and modifying asset class targets with Board approved policy ranges,
- Approving the asset class rebalancing procedures,
- Hiring and terminating investment managers, and
- Monitoring performance of the investment managers, custodians and investment consultants.

The hierarchy and inputs to valuation techniques to measure fair value of the Plans’ assets are the same as outlined in Note 7. In addition, the estimation of fair value of investments in private equity and hedge funds for which the underlying securities do not have a readily determinable value is made using the NAV per share or its equivalent as a practical expedient.

The following table sets forth the Dartmouth Health System’s pension plans’ investments that were accounted for at fair value as of June 30, 2025 and 2024:

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June 30, 2025 and 2024

2025						
<i>(in thousands of dollars)</i>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>	<u>Redemption or Liquidation</u>	<u>Days' Notice</u>
Investments						
Cash and short-term investments	\$ -	\$ 6,831	\$ -	\$ 6,831	Daily	1
U.S. government securities	46,067	-	-	46,067	Daily-Monthly	1-15
Domestic debt securities	68,115	206,982	-	275,097	Daily-Monthly	1-15
Domestic equities	65,644	30,412	-	96,056	Daily-Monthly	1-10
International equities	-	40,503	-	40,503	Daily-Monthly	1-11
Emerging market equities	-	31,042	-	31,042	Daily-Monthly	1-17
Global equities	-	51,436	-	51,436	Daily-Monthly	1-17
Total investments	\$ 179,826	\$ 367,206	\$ -	\$ 547,032		
2024						
<i>(in thousands of dollars)</i>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>	<u>Redemption or Liquidation</u>	<u>Days' Notice</u>
Investments						
Cash and short-term investments	\$ -	\$ 9,846	\$ -	\$ 9,846	Daily	1
U.S. government securities	45,202	-	-	45,202	Daily-Monthly	1-15
Domestic debt securities	64,075	200,343	-	264,418	Daily-Monthly	1-15
Domestic equities	66,717	28,921	-	95,638	Daily-Monthly	1-10
International equities	-	37,727	-	37,727	Daily-Monthly	1-11
Emerging market equities	-	26,530	-	26,530	Daily-Monthly	1-17
Global equities	-	48,690	-	48,690	Daily-Monthly	1-17
Total investments	\$ 175,994	\$ 352,057	\$ -	\$ 528,051		

Additionally, private equity and hedge funds, valued at NAV, totaled approximately \$76,012,000 and \$81,423,000 as of June 30, 2025 and 2024, respectively. Private equity and hedge funds, maintained in the pension plans' investments, have redemption terms that vary between quarterly and annually, and generally require between 60-96 days' notice.

There were no transfers into or out of Level 1, 2, or 3 measurements due to changes in valuation methodologies during the years ended June 30, 2025 and 2024.

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The weighted average asset allocation, by asset category, for the Dartmouth Health System's pension plans is as follows at June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Cash and short-term investments	2 %	2 %
U.S. government securities	16	16
Domestic debt securities	40	40
Global debt securities	0	0
Domestic equities	15	15
International equities	6	6
Emerging market equities	4	4
Global equities	7	7
Hedge funds	10	10
Total	<u>100 %</u>	<u>100 %</u>

The expected long-term rate of return on plan assets is reviewed annually, taking into consideration the asset allocation, historical returns on the types of assets held, and the current economic environment. Based on these factors, it is expected that the pension assets will earn an average of 7.25% per annum.

The Dartmouth Health System is expected to contribute approximately \$30,000,000 to the Plans in 2026, however actual contributions may vary from expected amounts.

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid for the years ending June 30 and thereafter:

(in thousands of dollars)

2026	\$ 61,607
2027	63,284
2028	64,325
2029	65,049
2030	65,402
2031 - 2035	320,308

Defined Contribution Plans

The Dartmouth Health System has employer-sponsored plans for certain of its members, under which the employer makes contributions based on specified percentages of compensation and employee deferral amounts. Total employer contributions to the plan of approximately \$87,632,000 and \$74,481,000 in 2025 and 2024, respectively, are included in employee benefits expenses in the accompanying Consolidated Statements of Operations and Changes in Net Assets.

Dartmouth-Hitchcock Health (d/b/a Dartmouth Health) and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

Postretirement Medical and Life Insurance Benefits

The Dartmouth Health System has postretirement medical and life insurance benefit plans covering certain of its active and former employees. The plans generally provide medical or medical and life insurance benefits to certain retired employees who meet eligibility requirements. The plans are not funded.

Net periodic postretirement medical and life benefit cost is comprised of the components listed below for the years ended June 30, 2025 and 2024:

<i>(in thousands of dollars)</i>	<u>2025</u>	<u>2024</u>
Service cost	\$ 191	\$ 225
Interest cost	1,773	1,856
Net (income) loss amortization	<u>(4)</u>	<u>(2)</u>
Total	<u>\$ 1,960</u>	<u>\$ 2,079</u>

The following table sets forth the accumulated postretirement medical and life insurance benefit obligation amounts recognized in the Dartmouth Health System's Consolidated Financial Statements at June 30, 2025 and 2024:

<i>(in thousands of dollars)</i>	<u>2025</u>	<u>2024</u>
Change in benefit obligation		
Accumulated benefit obligation, beginning of year	\$ 30,713	\$ 32,685
Service cost	191	225
Interest cost	1,773	1,856
Benefits paid	(3,338)	(3,486)
Actuarial income	<u>(3,922)</u>	<u>(567)</u>
Accumulated benefit obligation, end of year	<u>25,417</u>	<u>30,713</u>
Current portion of liability for postretirement medical and life benefits	\$ (2,973)	\$ (3,241)
Long-term portion of liability for postretirement medical and life benefits	<u>(22,444)</u>	<u>(27,472)</u>
Funded status of the plans and liability for postretirement medical and life benefits	<u>\$ (25,417)</u>	<u>\$ (30,713)</u>

As of June 30, 2025 and 2024, the liability for postretirement medical and life insurance benefits is included in the liability for pension and other postretirement plan benefits in the accompanying Consolidated Balance Sheets.

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Amounts not yet reflected in net periodic income for the postretirement medical and life insurance benefit plans, included in the change in net assets without donor restrictions, are as follows:

<i>(in thousands of dollars)</i>	<u>2025</u>	<u>2024</u>
Net actuarial income	\$ <u>(6,454)</u>	\$ <u>(2,535)</u>
Total	\$ <u><u>(6,454)</u></u>	\$ <u><u>(2,535)</u></u>

The following future benefit payments, which reflect expected future service, as appropriate, are expected to be paid for the years ending June 30, 2025 and thereafter:

<i>(in thousands of dollars)</i>	
2026	\$ 3,057
2027	3,048
2028	2,863
2029	2,728
2030	2,640
2031-2035	10,971

In determining the accumulated benefit obligation for the postretirement medical and life insurance plans, the Dartmouth Health System used discount rates of 5.40 - 5.70% in 2025, and assumed healthcare cost trend rates of 6.50 – 7.50%, trending down to 5.00% in 2029 and thereafter.

12. Professional and General Liability Insurance Coverage

D-H, along with Dartmouth College, Cheshire, NLH, APD, MAHHC, SVHC, and VNH are provided professional and general liability insurance on a claims-made basis through Hamden Assurance Risk Retention Group, Inc. (RRG), a VT captive insurance company. The RRG Board of Trustees admitted SVHC into the insurance program on July 1, 2024.

RRG cedes the majority of this risk to Hamden Assurance Company Limited (HAC), a captive insurance company domiciled in Bermuda, and HAC cedes a portion of this risk to a variety of commercial reinsurers. D-H has majority ownership interest in both HAC and RRG. The insurance program provides coverage to the covered institutions, named insureds and their employees on a modified claims-made basis, which means coverage is triggered when claims are made. Premiums and related insurance deposits are actuarially determined, based on asserted liability claims adjusted for future development. The reserves for outstanding losses are recorded on an undiscounted basis.

Selected financial data of HAC and RRG, taken from the latest available financial statements at June 30, 2025 and 2024, are summarized as follows:

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June 30, 2025 and 2024

	<u>2025</u>		
	<u>HAC</u>	<u>RRG</u>	<u>Total</u>
<i>(in thousands of dollars)</i>			
Assets	\$ 117,905	\$ 2,285	\$ 120,190
Shareholders' equity	13,620	50	13,670
	<u>2024</u>		
	<u>HAC</u>	<u>RRG</u>	<u>Total</u>
<i>(in thousands of dollars)</i>			
Assets	\$ 100,066	\$ 2,628	\$ 102,694
Shareholders' equity	13,620	50	13,670

13. Commitments and Contingencies

Litigation

The Dartmouth Health System is involved in various malpractice claims and legal proceedings of a nature considered normal to its business. The claims are in various stages and some may ultimately be brought to trial. It is the opinion of management that the final outcome of these claims will not have a material effect on the consolidated financial position of the Dartmouth Health System.

Lines of Credit

The Dartmouth Health System entered into two loan agreements with financial institutions, establishing access to revolving lines of credit up to \$115,000,000, expiring September 30, 2025 and October 1, 2026. Interest is variable and determined using the Bloomberg Short-Term Bank Yield Index, the Wall Street Journal Prime Rate, or the Secured Overnight Financing Rate. The outstanding balances on the lines of credit totaled approximately \$65,500,000 and \$41,950,000 as of June 30, 2025 and 2024, respectively. Interest expense was approximately \$2,310,000 and \$4,367,000 for the years ended June 30, 2025 and 2024, respectively, and is included in the Consolidated Statements of Operations and Changes in Net Assets.

14. Functional Expenses

Operating expenses are presented by functional classification in accordance with the overall service missions of the Dartmouth Health System. Each functional classification displays all expenses related to the underlying operations by natural classification. Salaries, employee benefits, medical supplies and medications, and purchased services and other expenses are generally considered variable and are allocated to the mission that best aligns to the type of service provided. Medicaid enhancement tax is allocated to program services. Interest expense is allocated based on usage of debt-financed space. Depreciation and amortization are allocated based on square footage and specific identification of equipment used by department.

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Operating expenses of the Dartmouth Health System by functional and natural basis are as follows for the years ended June 30, 2025 and 2024, respectively:

		2025			
<i>(in thousands of dollars)</i>	Program Services	Management and General	Fundraising	Total	
Operating					
Salaries	\$ 1,570,632	\$ 251,268	\$ 2,077	\$ 1,823,977	
Employee benefits	371,461	51,417	223	423,101	
Medical supplies and medications	1,008,319	6,678	4	1,015,001	
Purchased services and other	441,695	125,187	10,144	577,026	
Medicaid enhancement tax	119,082	-	-	119,082	
Depreciation and amortization	47,285	50,351	42	97,678	
Interest	8,250	31,981	6	40,237	
Total operating	\$ 3,566,724	\$ 516,882	\$ 12,496	\$ 4,096,102	
Non-operating					
Employee benefits	\$ 20,894	\$ 2,990	\$ -	\$ 23,884	
Interest	-	9,318	-	9,318	
Development	-	-	11,201	11,201	
Total non-operating	\$ 20,894	\$ 12,308	\$ 11,201	\$ 44,403	
		2024			
<i>(in thousands of dollars)</i>	Program Services	Management and General	Fundraising	Total	
Operating					
Salaries	\$ 1,356,800	\$ 222,603	\$ 2,077	\$ 1,581,480	
Employee benefits	341,483	49,747	478	391,708	
Medical supplies and medications	833,657	7,614	6	841,277	
Purchased services and other	361,683	152,130	7,406	521,219	
Medicaid enhancement tax	102,727	-	-	102,727	
Depreciation and amortization	46,069	43,873	43	89,985	
Interest	8,293	32,569	7	40,869	
Total operating	\$ 3,050,712	\$ 508,536	\$ 10,017	\$ 3,569,265	
Non-operating					
Employee benefits	\$ 31,706	\$ 4,200	\$ 83	\$ 35,989	
Interest	-	8,203	-	8,203	
Development	-	-	10,203	10,203	
Total non-operating	\$ 31,706	\$ 12,403	\$ 10,286	\$ 54,395	

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15. Liquidity

The Dartmouth Health System is substantially supported by cash generated from operations. In addition, the Dartmouth Health System holds financial assets for specific purposes which are limited as to use. Thus, certain financial assets reported on the accompanying Consolidated Balance Sheets may not be available for general expenditure within one year of the balance sheet date.

The Dartmouth Health System's financial assets available at June 30, 2025 and 2024 to meet cash needs for general expenditures within one year of June 30, 2025 and 2024, respectively, are as follows:

<i>(in thousands of dollars)</i>	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 240,890	\$ 257,903
Patient accounts receivable	336,269	287,317
Assets limited as to use	1,638,521	1,234,156
Other investments for restricted activities	<u>261,455</u>	<u>229,626</u>
Total financial assets	2,477,135	2,009,002
Less those unavailable for general expenditure within one year:		
Investments held by captive insurance companies	(103,201)	(80,936)
Investments for restricted activities	(261,455)	(229,626)
Bond proceeds held for capital projects	(246,510)	(777)
Other investments with liquidity horizons greater than one year	<u>(179,219)</u>	<u>(159,491)</u>
Total financial assets available within one year	<u>\$ 1,686,750</u>	<u>\$ 1,538,172</u>

The Dartmouth Health System used cash flow from operations of approximately \$51,584,000 and \$147,848,000 for the years ended June 30, 2025 and June 30, 2024, respectively. In addition, the Dartmouth Health System's liquidity management plan includes investing excess daily cash in intermediate or long-term investments based on anticipated liquidity needs. As of June 30, 2025, the Dartmouth Health System has available lines of credit of up to \$115,000,000 which it can draw upon as needed to meet its liquidity needs. See Note 13 for further details on the lines of credit.

16. Lease Commitments

Dartmouth Health determines if an arrangement is or contains a lease at inception of the contract. Right-of-use assets represent our right to use the underlying assets for the lease term and our lease liabilities represent our obligation to make lease payments arising from the leases. Right-of-use assets and lease liabilities are recognized at commencement date, based on the present value of lease payments over the lease term. The Dartmouth Health System uses the implicit rate noted within the contract. If not readily available, the Dartmouth Health System uses an estimated incremental borrowing rate, which is derived using a collateralized borrowing rate, for the same currency and term, as the associated lease. A right-of-use asset and lease liability is not

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recognized for leases with an initial term of 12 months or less, rather the Dartmouth Health System recognizes lease expense for these leases on a straight-line basis, over the lease term, within lease and rental expense.

Operating leases are primarily for real estate, including certain acute care facilities, off-campus outpatient facilities, medical office buildings, and corporate and other administrative offices. Real estate lease agreements typically have initial terms of 3 to 8 years. These real estate leases may include one or more options to renew, with renewals that can extend the lease term from 2 to 5 years. The exercise of lease renewal options is at the Dartmouth Health System's sole discretion. When determining the lease term, management includes options to extend or terminate the lease when it is reasonably certain that the Dartmouth Health System will exercise that option.

Certain lease agreements for real estate include payments based on actual common area maintenance expenses and/or rental payments adjusted periodically for inflation. These variable lease payments are recognized in other occupancy costs in the Consolidated Statements of Operations and Changes in Net Assets, but are not included in the right-of-use asset or liability balances in our Consolidated Balance Sheets. Lease agreements do not contain any material residual value guarantees, restrictions, or covenants.

The components of lease expense for the years ended June 30, 2025 and 2024 are as follows:

<i>(in thousands of dollars)</i>	<u>2025</u>	<u>2024</u>
Operating lease cost	\$ 8,570	\$ 8,444
Variable and short term lease cost (a)	<u>9,978</u>	<u>10,866</u>
Total lease and rental expense	<u>\$ 18,548</u>	<u>\$ 19,310</u>
Finance lease cost:		
Depreciation of property under finance lease	\$ 4,518	\$ 4,793
Interest on debt of property under finance lease	<u>1,203</u>	<u>1,321</u>
Total finance lease cost	<u>\$ 5,721</u>	<u>\$ 6,114</u>

(a) Includes equipment, month-to-month and leases with a maturity of less than 12 months.

Supplemental cash flow information related to leases for the years ended June 30, 2025 and 2024 are as follows:

<i>(in thousands of dollars)</i>	<u>2025</u>	<u>2024</u>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 9,052	\$ 9,450
Operating cash flows from finance leases	1,246	1,376
Financing cash flows from finance leases	<u>4,405</u>	<u>4,635</u>
Total	<u>\$ 14,703</u>	<u>\$ 15,461</u>

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Supplemental balance sheet information related to leases as of June 30, 2025 and 2024 are as follows:

<i>(in thousands of dollars)</i>	<u>2025</u>	<u>2024</u>
Operating Leases		
Right-of-use assets - operating leases	\$ 74,835	57,999
Accumulated amortization	<u>(38,495)</u>	<u>(30,834)</u>
Right-of-use assets - operating leases, net	<u>36,340</u>	<u>27,165</u>
Current portion of right-of-use obligations	6,290	5,987
Long-term right-of-use obligations, excluding current portion	<u>30,837</u>	<u>25,817</u>
Total operating lease liabilities	<u>37,127</u>	<u>31,804</u>
Finance Leases		
Right-of-use assets - finance leases	34,021	39,965
Accumulated depreciation	<u>(12,121)</u>	<u>(14,027)</u>
Right-of-use assets - finance leases, net	<u>21,900</u>	<u>25,938</u>
Current portion of right-of-use obligations	4,196	4,155
Long-term right-of-use obligations, excluding current portion	<u>19,674</u>	<u>19,990</u>
Total finance lease liabilities	<u>\$ 23,870</u>	<u>24,145</u>
Weighted Average remaining lease term, years		
Operating leases	2.41	4.02
Finance leases	14.22	14.96
Weighted Average discount rate		
Operating leases	4.22%	3.72%
Finance leases	3.20%	6.60%

The Dartmouth Health System obtained approximately \$15.5 million and \$0.6 million of new and modified operating and financing leases, respectively, during the year ended June 30, 2025.

The Dartmouth Health System obtained \$3.2 million and \$7.8 million of new and modified operating and financing leases, respectively, during the year ended June 30, 2024.

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Future maturities of lease liabilities as of June 30, 2025 are as follows:

<i>(in thousands of dollars)</i>	Operating <u>Leases</u>	Finance <u>Leases</u>
Year ending June 30:		
2026	\$ 8,084	\$ 5,139
2027	7,095	3,874
2028	5,651	2,599
2029	5,053	1,576
2030	4,452	2,810
Thereafter	<u>12,086</u>	<u>16,266</u>
Total lease payments	42,421	32,264
Less imputed interest	<u>(5,294)</u>	<u>(8,394)</u>
Total lease obligations	<u>\$ 37,127</u>	<u>\$ 23,870</u>

17. Subsequent Events

The Dartmouth Health System has assessed the impact of subsequent events through October 31, 2025, the date the audited Consolidated Financial Statements were issued, and has concluded that there were no such events that require adjustment to the audited Consolidated Financial Statements or disclosure in the notes to the audited Consolidated Financial Statements other than as noted below.

In July, 2025, the Board of Trustees of Dartmouth Health approved, and management executed, a signed letter of intent to integrate Littleton Regional Healthcare, in Littleton, NH, into the Dartmouth Health System.

Consolidating Supplemental Information

Dartmouth-Hitchcock Health (d/b/a Dartmouth Health) and Subsidiaries

Consolidating Balance Sheets

June 30, 2025

<i>(in thousands of dollars)</i>	Dartmouth- Hitchcock Health	Dartmouth- Hitchcock	Alice Peck Day Memorial	Mt. Ascutney Hospital and Health Center	New London Hospital Association	Eliminations	DH Obligated Group Subtotal	All Other Non-Obligated Group Affiliates	Eliminations	Dartmouth Health Consolidated
Assets										
Current assets										
Cash and cash equivalents	\$ 109,306	\$ -	\$ 10,894	\$ 8,215	\$ 52,650	\$ -	\$ 181,065	\$ 59,825	\$ -	\$ 240,890
Patient accounts receivable, net	-	257,975	10,360	8,379	13,163	-	289,877	46,392	-	336,269
Prepaid expenses and other current assets	68,365	266,917	1,111	1,618	1,522	(84,092)	255,441	20,641	(21,603)	254,479
Total current assets	177,671	524,892	22,365	18,212	67,335	(84,092)	726,383	126,858	(21,603)	831,638
Assets limited as to use	357,602	1,192,557	60,628	33,707	21,902	(211,151)	1,455,245	205,276	(22,000)	1,638,521
Notes receivable, related party	1,106,876	11,040	3,137	-	-	(1,077,433)	43,620	(3,137)	(40,483)	-
Other investments for restricted activities	644	154,141	7,695	7,889	3,384	-	173,753	87,702	-	261,455
Property, plant, and equipment, net	-	691,524	33,343	19,218	44,542	-	788,627	197,167	-	985,794
Right-of-use assets, net	-	32,878	13,176	4,709	1,200	-	51,963	6,277	-	58,240
Other assets	5,716	219,292	16,365	5,457	6,265	-	253,095	30,914	-	284,009
Total assets	\$ 1,648,509	\$ 2,826,324	\$ 156,709	\$ 89,192	\$ 144,628	\$ (1,372,676)	\$ 3,492,686	\$ 651,057	\$ (84,086)	\$ 4,059,657
Liabilities and Net Assets										
Current liabilities										
Current portion of long-term debt	\$ 6,590	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,590	\$ 3,531	\$ -	\$ 10,121
Current portion of right-of-use obligations	-	7,466	769	529	249	-	9,013	1,473	-	10,486
Line of credit	-	88,600	-	-	-	(23,100)	65,500	22,000	(22,000)	65,500
Accounts payable and accrued expenses	251,258	151,808	1,630	3,020	2,441	(272,143)	138,014	43,069	(21,603)	159,480
Accrued compensation and related benefits	-	143,026	3,876	2,843	3,317	-	153,062	19,840	-	172,902
Estimated third-party settlements	-	53,655	10,564	3,120	22,463	-	89,802	17,313	-	107,115
Total current liabilities	257,848	444,555	16,839	9,512	28,470	(295,243)	461,981	107,226	(43,603)	525,604
Notes payable, related party	-	1,011,927	22,759	17,570	25,177	(1,077,433)	-	40,483	(40,483)	-
Long-term debt, excluding current portion	1,438,930	-	36	(18)	-	-	1,438,948	38,725	-	1,477,673
Right-of-use obligations, excluding current portion	-	26,234	13,217	4,445	1,017	-	44,913	5,598	-	50,511
Insurance deposits and related liabilities	-	110,801	373	285	271	-	111,730	711	-	112,441
Liability for pension and other postretirement plan benefits, excluding current portion	-	204,654	-	354	-	-	205,008	-	-	205,008
Other liabilities	-	187,898	3,582	681	2,657	-	194,818	27,988	-	222,806
Total liabilities	1,696,778	1,986,069	56,806	32,829	57,592	(1,372,676)	2,457,398	220,731	(84,086)	2,594,043
Commitments and contingencies										
Net assets										
Net assets without donor restrictions	(48,314)	666,038	92,208	46,563	82,042	-	838,537	302,082	40	1,140,659
Net assets with donor restrictions	45	174,217	7,695	9,800	4,994	-	196,751	128,244	(40)	324,955
Total net assets	(48,269)	840,255	99,903	56,363	87,036	-	1,035,288	430,326	-	1,465,614
Total liabilities and net assets	\$ 1,648,509	\$ 2,826,324	\$ 156,709	\$ 89,192	\$ 144,628	\$ (1,372,676)	\$ 3,492,686	\$ 651,057	\$ (84,086)	\$ 4,059,657

Dartmouth-Hitchcock Health (d/b/a Dartmouth Health) and Subsidiaries

Consolidating Balance Sheets

June 30, 2025

<i>(in thousands of dollars)</i>	<u>Dartmouth- Hitchcock Health</u>	<u>Dartmouth- Hitchcock and Subsidiaries</u>	<u>Alice Peck Day and Subsidiary</u>	<u>Cheshire Medical and Subsidiaries</u>	<u>Mt. Ascutney and Subsidiaries</u>	<u>New London Hospital Association</u>	<u>Southwestern VT Health Care Corp and Subs</u>	<u>Valley Regional Healthcare and Subsidiaries</u>	<u>Visiting Nurse Assoc. and Subsidiaries</u>	<u>Eliminations</u>	<u>Dartmouth Health Consolidated</u>
Assets											
Current assets											
Cash and cash equivalents	\$ 109,306	\$ 1,204	\$ 24,706	\$ 17,749	\$ 8,308	\$ 52,650	\$ 11,143	\$ 14,510	\$ 1,314	\$ -	\$ 240,890
Patient accounts receivable, net	-	257,975	10,360	17,145	8,379	13,163	21,762	6,353	1,132	-	336,269
Prepaid expenses and other current assets	68,365	267,318	979	8,052	1,057	1,522	9,029	3,818	34	(105,695)	254,479
Total current assets	177,671	526,497	36,045	42,946	17,744	67,335	41,934	24,681	2,480	(105,695)	831,638
Assets limited as to use											
Notes receivable, related party	1,106,876	11,040	-	-	-	-	-	-	-	(1,117,916)	-
Other investments for restricted activities	644	164,669	7,968	48,173	7,890	3,384	25,921	2,713	93	-	261,455
Property, plant, and equipment, net	-	694,199	49,115	67,751	20,645	44,542	83,446	21,472	4,624	-	985,794
Right-of-use assets, net	-	32,878	13,197	1,984	4,709	1,200	2,735	1,505	32	-	58,240
Other assets	5,716	219,461	8,349	22,833	2,681	6,265	11,722	6,478	504	-	284,009
Total assets	<u>\$ 1,648,509</u>	<u>\$ 2,875,489</u>	<u>\$ 175,302</u>	<u>\$ 194,172</u>	<u>\$ 88,929</u>	<u>\$ 144,628</u>	<u>\$ 273,013</u>	<u>\$ 91,767</u>	<u>\$ 24,610</u>	<u>\$ (1,456,762)</u>	<u>\$ 4,059,657</u>
Liabilities and Net Assets											
Current liabilities											
Current portion of long-term debt	\$ 6,590	\$ -	\$ -	\$ -	\$ 4	\$ -	\$ 3,064	\$ 385	\$ 78	\$ -	10,121
Current portion of right-of-use obligations	-	7,466	776	668	529	249	664	123	11	-	10,486
Line of credit	-	88,600	-	-	-	-	22,000	-	-	(45,100)	65,500
Accounts payable and accrued expenses	251,258	152,355	2,288	9,347	3,118	2,441	26,692	5,361	366	(293,746)	159,480
Accrued compensation and related benefits	-	143,026	4,493	6,175	2,843	3,317	8,107	4,215	726	-	172,902
Estimated third-party settlements	-	53,655	10,564	5,579	3,120	22,463	2,550	9,184	-	-	107,115
Total current liabilities	257,848	445,102	18,121	21,769	9,614	28,470	63,077	19,268	1,181	(338,846)	525,604
Notes payable, related party	-	1,011,927	22,759	40,483	17,570	25,177	-	-	-	(1,117,916)	-
Long-term debt, excluding current portion	1,438,930	-	-	-	216	-	20,163	16,252	2,112	-	1,477,673
Right-of-use obligations, excluding current portion	-	26,234	13,230	1,408	4,445	1,017	2,793	1,361	23	-	50,511
Insurance deposits and related liabilities	-	110,801	373	691	285	271	-	-	20	-	112,441
Liability for pension and other postretirement plan benefits, excluding current portion	-	204,654	-	-	354	-	-	-	-	-	205,008
Other liabilities	-	187,898	24,430	1,799	681	2,657	5,341	-	-	-	222,806
Total liabilities	<u>1,696,778</u>	<u>1,986,616</u>	<u>78,913</u>	<u>66,150</u>	<u>33,165</u>	<u>57,592</u>	<u>91,374</u>	<u>36,881</u>	<u>3,336</u>	<u>(1,456,762)</u>	<u>2,594,043</u>
Commitments and contingencies											
Net assets											
Net assets without donor restrictions	(48,314)	703,963	88,421	51,964	45,963	82,042	150,971	44,933	20,676	40	1,140,659
Net assets with donor restrictions	45	184,910	7,968	76,058	9,801	4,994	30,668	9,953	598	(40)	324,955
Total net assets	<u>(48,269)</u>	<u>888,873</u>	<u>96,389</u>	<u>128,022</u>	<u>55,764</u>	<u>87,036</u>	<u>181,639</u>	<u>54,886</u>	<u>21,274</u>	<u>-</u>	<u>1,465,614</u>
Total liabilities and net assets	<u>\$ 1,648,509</u>	<u>\$ 2,875,489</u>	<u>\$ 175,302</u>	<u>\$ 194,172</u>	<u>\$ 88,929</u>	<u>\$ 144,628</u>	<u>\$ 273,013</u>	<u>\$ 91,767</u>	<u>\$ 24,610</u>	<u>\$ (1,456,762)</u>	<u>\$ 4,059,657</u>

Dartmouth-Hitchcock Health (d/b/a Dartmouth Health) and Subsidiaries

Consolidating Balance Sheets

June 30, 2024

<i>(in thousands of dollars)</i>	Dartmouth- Hitchcock Health	Dartmouth- Hitchcock	Alice Peck Day Memorial	Mt. Ascuney Hospital and Health Center	New London Hospital Association	Eliminations	DH Obligated Group Subtotal	All Other Non-Obligated Group Affiliates	Eliminations	Dartmouth Health Consolidated
Assets										
Current assets										
Cash and cash equivalents	\$ 111,792	\$ -	\$ 54,156	\$ 13,327	\$ 39,000	\$ -	\$ 218,275	\$ 39,628	\$ -	\$ 257,903
Patient accounts receivable, net	-	221,992	9,307	9,343	9,922	-	250,564	36,753	-	287,317
Prepaid expenses and other current assets	45,504	233,689	(33)	511	1,470	(78,104)	203,037	17,888	(34,196)	186,729
Total current assets	157,296	455,681	63,430	23,181	50,392	(78,104)	671,876	94,269	(34,196)	731,949
Assets limited as to use	115,784	898,272	16,106	26,862	19,973	(227)	1,076,770	157,386	-	1,234,156
Notes receivable, related party	838,175	11,126	366	-	-	(828,172)	21,495	(366)	(21,129)	-
Other investments for restricted activities	41	136,366	7,004	8,058	3,534	-	155,003	74,623	-	229,626
Property, plant, and equipment, net	-	656,781	27,646	18,120	44,979	-	747,526	173,794	-	921,320
Right-of-use assets, net	140	27,499	14,076	4,572	1,452	-	47,739	5,364	-	53,103
Other assets	7,061	188,452	16,156	5,080	6,988	-	223,737	27,976	-	251,713
Total assets	<u>\$ 1,118,497</u>	<u>\$ 2,374,177</u>	<u>\$ 144,784</u>	<u>\$ 85,873</u>	<u>\$ 127,318</u>	<u>\$ (906,503)</u>	<u>\$ 2,944,146</u>	<u>\$ 533,046</u>	<u>\$ (55,325)</u>	<u>\$ 3,421,867</u>
Liabilities and Net Assets										
Current liabilities										
Current portion of long-term debt	\$ 17,435	\$ -	\$ 890	\$ 24	\$ -	\$ -	\$ 18,349	\$ 4,077	\$ -	\$ 22,426
Current portion of right-of-use obligations	140	7,533	789	438	220	-	9,120	1,022	-	10,142
Line of credit	-	29,000	-	-	-	-	29,000	12,950	-	41,950
Accounts payable and accrued expenses	51,894	134,987	3,815	7,271	3,694	(78,331)	123,330	49,332	(34,196)	138,466
Accrued compensation and related benefits	-	138,621	4,657	4,374	3,746	-	151,398	17,457	-	168,855
Estimated third-party settlements	-	44,357	12,208	999	17,472	-	75,036	7,632	-	82,668
Total current liabilities	69,469	354,498	22,359	13,106	25,132	(78,331)	406,233	92,470	(34,196)	464,507
Notes payable, related party	-	784,427	-	17,570	26,175	(828,172)	-	21,129	(21,129)	-
Long-term debt, excluding current portion	1,108,238	25,140	21,077	(23)	-	-	1,154,432	45,493	-	1,199,925
Right-of-use obligations, excluding current portion	-	20,754	13,986	4,331	1,266	-	40,337	5,470	-	45,807
Insurance deposits and related liabilities	-	96,918	368	206	262	-	97,754	643	-	98,397
Liability for pension and other postretirement plan benefits, excluding current portion	-	211,454	-	306	-	-	211,760	-	-	211,760
Other liabilities	-	165,236	3,059	-	2,416	-	170,711	28,380	-	199,091
Total liabilities	<u>1,177,707</u>	<u>1,658,427</u>	<u>60,849</u>	<u>35,496</u>	<u>55,251</u>	<u>(906,503)</u>	<u>2,081,227</u>	<u>193,585</u>	<u>(55,325)</u>	<u>2,219,487</u>
Commitments and contingencies										
Net assets										
Net assets without donor restrictions	(59,210)	563,096	76,931	40,601	66,958	-	688,376	235,281	40	923,697
Net assets with donor restrictions	-	152,654	7,004	9,776	5,109	-	174,543	104,180	(40)	278,683
Total net assets	<u>(59,210)</u>	<u>715,750</u>	<u>83,935</u>	<u>50,377</u>	<u>72,067</u>	<u>-</u>	<u>862,919</u>	<u>339,461</u>	<u>-</u>	<u>1,202,380</u>
Total liabilities and net assets	<u>\$ 1,118,497</u>	<u>\$ 2,374,177</u>	<u>\$ 144,784</u>	<u>\$ 85,873</u>	<u>\$ 127,318</u>	<u>\$ (906,503)</u>	<u>\$ 2,944,146</u>	<u>\$ 533,046</u>	<u>\$ (55,325)</u>	<u>\$ 3,421,867</u>

Dartmouth-Hitchcock Health (d/b/a Dartmouth Health) and Subsidiaries

Consolidating Balance Sheets

June 30, 2024

<i>(in thousands of dollars)</i>	<u>Dartmouth- Hitchcock Health</u>	<u>Dartmouth- Hitchcock and Subsidiaries</u>	<u>Alice Peck Day and Subsidiary</u>	<u>Cheshire Medical and Subsidiaries</u>	<u>Mt. Ascutney and Subsidiaries</u>	<u>New London Hospital Association</u>	<u>Southwestern VT Health Care Corp and Subs</u>	<u>Visiting Nurse Assoc. and Subsidiaries</u>	<u>Eliminations</u>	<u>Dartmouth Health Consolidated</u>
Assets										
Current assets										
Cash and cash equivalents	\$ 111,792	\$ 1,264	\$ 64,114	\$ 22,417	\$ 13,508	\$ 39,000	\$ 4,634	\$ 1,174	\$ -	\$ 257,903
Patient accounts receivable, net	-	221,992	9,307	14,344	9,526	9,922	21,303	923	-	287,317
Prepaid expenses and other current assets	45,504	234,013	(210)	6,809	503	1,470	10,172	768	(112,300)	186,729
Total current assets	157,296	457,269	73,211	43,570	23,537	50,392	36,109	2,865	(112,300)	731,949
Assets limited as to use	115,784	930,022	16,106	10,493	28,288	19,973	96,586	17,131	(227)	1,234,156
Notes receivable, related party	838,175	11,126	-	-	-	-	-	-	(849,301)	-
Other investments for restricted activities	41	144,920	7,240	42,535	8,058	3,534	23,203	95	-	229,626
Property, plant, and equipment, net	-	659,456	43,744	71,253	19,423	44,979	77,316	5,149	-	921,320
Right-of-use assets, net	140	27,499	14,104	1,442	4,572	1,452	3,851	43	-	53,103
Other assets	7,061	188,628	8,321	25,624	2,619	6,988	11,999	473	-	251,713
Total assets	<u>\$ 1,118,497</u>	<u>\$ 2,418,920</u>	<u>\$ 162,726</u>	<u>\$ 194,917</u>	<u>\$ 86,497</u>	<u>\$ 127,318</u>	<u>\$ 249,064</u>	<u>\$ 25,756</u>	<u>\$ (961,828)</u>	<u>\$ 3,421,867</u>
Liabilities and Net Assets										
Current liabilities										
Current portion of long-term debt	\$ 17,435	\$ -	\$ 890	\$ 945	\$ 28	\$ -	\$ 3,050	\$ 78	\$ -	\$ 22,426
Current portion of right-of-use obligations	140	7,533	796	384	438	220	621	10	-	10,142
Line of credit	-	29,000	-	-	-	-	12,950	-	-	41,950
Accounts payable and accrued expenses	51,894	135,488	4,601	24,622	7,425	3,694	22,619	650	(112,527)	138,466
Accrued compensation and related benefits	-	138,621	5,207	6,623	4,377	3,746	9,550	731	-	168,855
Estimated third-party settlements	-	44,357	12,208	6,402	999	17,472	1,230	-	-	82,668
Total current liabilities	69,469	354,999	23,702	38,976	13,267	25,132	50,020	1,469	(112,527)	464,507
Notes payable, related party	-	784,427	-	21,129	17,570	26,175	-	-	(849,301)	-
Long-term debt, excluding current portion	1,108,238	25,140	21,035	19,942	212	-	23,169	2,189	-	1,199,925
Right-of-use obligations, excluding current portion	-	20,754	14,006	1,151	4,331	1,266	4,265	34	-	45,807
Insurance deposits and related liabilities	-	96,918	368	621	206	262	-	22	-	98,397
Liability for pension and other postretirement plan benefits, excluding current portion	-	211,454	-	-	306	-	-	-	-	211,760
Other liabilities	-	165,236	23,921	2,311	-	2,416	5,207	-	-	199,091
Total liabilities	<u>1,177,707</u>	<u>1,658,928</u>	<u>83,032</u>	<u>84,130</u>	<u>35,892</u>	<u>55,251</u>	<u>82,661</u>	<u>3,714</u>	<u>(961,828)</u>	<u>2,219,487</u>
Commitments and contingencies										
Net assets										
Net assets without donor restrictions	(59,210)	598,613	72,454	43,703	40,829	66,958	138,836	21,474	40	923,697
Net assets with donor restrictions	-	161,379	7,240	67,084	9,776	5,109	27,567	568	(40)	278,683
Total net assets	<u>(59,210)</u>	<u>759,992</u>	<u>79,694</u>	<u>110,787</u>	<u>50,605</u>	<u>72,067</u>	<u>166,403</u>	<u>22,042</u>	<u>-</u>	<u>1,202,380</u>
Total liabilities and net assets	<u>\$ 1,118,497</u>	<u>\$ 2,418,920</u>	<u>\$ 162,726</u>	<u>\$ 194,917</u>	<u>\$ 86,497</u>	<u>\$ 127,318</u>	<u>\$ 249,064</u>	<u>\$ 25,756</u>	<u>\$ (961,828)</u>	<u>\$ 3,421,867</u>

Dartmouth-Hitchcock Health (d/b/a Dartmouth Health) and Subsidiaries Consolidating Statements of Operations and Changes in Net Assets without Donor Restrictions Year Ended June 30, 2025

<i>(in thousands of dollars)</i>	Dartmouth- Hitchcock Health	Dartmouth- Hitchcock	Alice Peck Day Memorial	Mt. Ascutey Hospital and Health Center	New London Hospital Association	Eliminations	DH Obligated Group Subtotal	All Other Non-Obligated Group Affiliates	Eliminations	Dartmouth Health Consolidated
Operating revenue and other support										
Net patient service revenue	\$ -	\$ 2,313,531	\$ 110,295	\$ 67,075	\$ 101,980	\$ -	\$ 2,592,881	\$ 554,571	\$ -	\$ 3,147,452
Contracted revenue	-	126,578	134	1,337	33	(951)	127,131	-	(111,706)	15,425
Other operating revenue	36,855	892,152	6,234	7,141	6,657	(45,220)	903,819	108,537	(12,316)	1,000,040
Net assets released from restrictions	17	16,041	90	282	203	-	16,633	1,787	-	18,420
Total operating revenue and other support	<u>36,872</u>	<u>3,348,302</u>	<u>116,753</u>	<u>75,835</u>	<u>108,873</u>	<u>(46,171)</u>	<u>3,640,464</u>	<u>664,895</u>	<u>(124,022)</u>	<u>4,181,337</u>
Operating expenses										
Salaries	-	1,441,463	53,472	40,100	53,209	(3,196)	1,585,048	330,411	(91,482)	1,823,977
Employee benefits	-	328,925	11,259	9,519	9,875	3,160	362,738	68,913	(8,550)	423,101
Medications and medical supplies	-	880,803	12,938	5,358	13,999	(9)	913,089	101,912	-	1,015,001
Purchased services and other	32,473	428,404	17,030	14,021	10,980	(18,218)	484,690	113,102	(20,766)	577,026
Medicaid enhancement and provider tax	-	82,359	4,369	2,429	3,696	-	92,853	26,229	-	119,082
Depreciation and amortization	-	64,308	3,636	3,061	5,054	-	76,059	21,619	-	97,678
Interest	32,272	30,988	813	494	1,074	(28,797)	36,844	4,190	(797)	40,237
Total operating expenses	<u>64,745</u>	<u>3,257,250</u>	<u>103,517</u>	<u>74,982</u>	<u>97,887</u>	<u>(47,060)</u>	<u>3,551,321</u>	<u>666,376</u>	<u>(121,595)</u>	<u>4,096,102</u>
Operating margin (loss)	<u>(27,873)</u>	<u>91,052</u>	<u>13,236</u>	<u>853</u>	<u>10,986</u>	<u>889</u>	<u>89,143</u>	<u>(1,481)</u>	<u>(2,427)</u>	<u>85,235</u>
Non-operating gains (losses)										
Investment gains, net	11,229	93,483	2,502	3,775	2,223	(632)	112,580	26,039	(481)	138,138
Other components of net periodic pension and post retirement benefit income	-	(23,862)	-	-	-	-	(23,862)	(18)	-	(23,880)
Other income (losses), net	(20,349)	(4,073)	(205)	78	356	(257)	(24,450)	334	2,908	(21,208)
Contribution revenue from acquisition	36,799	-	-	-	-	-	36,799	-	-	36,799
Total non-operating gains, net	<u>27,679</u>	<u>65,548</u>	<u>2,297</u>	<u>3,853</u>	<u>2,579</u>	<u>(889)</u>	<u>101,067</u>	<u>26,355</u>	<u>2,427</u>	<u>129,849</u>
Excess (deficiency) of revenue over expenses	<u>(194)</u>	<u>156,600</u>	<u>15,533</u>	<u>4,706</u>	<u>13,565</u>	<u>-</u>	<u>190,210</u>	<u>24,874</u>	<u>-</u>	<u>215,084</u>
Net assets without donor restrictions										
Net assets released from restrictions for capital	-	1,608	135	251	629	-	2,623	(63)	-	2,560
Change in funded status of pension and other postretirement benefits	-	(566)	-	(52)	-	-	(618)	-	-	(618)
Net assets transferred to (from) affiliates	11,090	(54,636)	(391)	1,057	890	-	(41,990)	41,990	-	-
Other changes in net assets	-	(64)	-	-	-	-	(64)	-	-	(64)
Increase in net assets without donor restrictions	<u>\$ 10,896</u>	<u>\$ 102,942</u>	<u>\$ 15,277</u>	<u>\$ 5,962</u>	<u>\$ 15,084</u>	<u>\$ -</u>	<u>\$ 150,161</u>	<u>\$ 66,801</u>	<u>\$ -</u>	<u>\$ 216,962</u>

Dartmouth-Hitchcock Health (d/b/a/Dartmouth Health) and Subsidiaries

Consolidating Statements of Operations and Changes in Net Assets without Donor Restrictions

Year Ended June 30, 2025

<i>(in thousands of dollars)</i>	Dartmouth- Hitchcock Health	Dartmouth- Hitchcock and Subsidiaries	Alice Peck Day and Subsidiary	Cheshire Medical and Subsidiaries	Mt. Ascutney and Subsidiaries	New London Hospital Association	Southwestern VT Health Care Corp and Subs	Valley Regional Healthcare and Subsidiaries	Visiting Nurse Assoc. and Subsidiaries	Eliminations	Dartmouth Health Consolidated
Operating revenue and other support											
Net patient service revenue	\$ -	\$ 2,313,531	\$ 110,295	\$ 302,427	\$ 67,075	\$ 101,981	\$ 176,467	\$ 64,913	\$ 10,763	\$ -	\$ 3,147,452
Contracted revenue	-	126,578	134	-	1,337	33	-	-	-	(112,657)	15,425
Other operating revenue	36,855	893,893	18,957	36,742	8,454	6,656	52,805	1,318	1,896	(57,536)	1,000,040
Net assets released from restrictions	17	16,719	78	869	282	203	244	-	8	-	18,420
Total operating revenue and other support	<u>36,872</u>	<u>3,350,721</u>	<u>129,464</u>	<u>340,038</u>	<u>77,148</u>	<u>108,873</u>	<u>229,516</u>	<u>66,231</u>	<u>12,667</u>	<u>(170,193)</u>	<u>4,181,337</u>
Operating expenses											
Salaries	-	1,441,463	58,729	160,861	41,291	53,210	121,582	32,491	9,028	(94,678)	1,823,977
Employee benefits	-	328,925	12,933	36,573	9,567	9,875	21,370	7,057	2,191	(5,390)	423,101
Medications and medical supplies	-	880,803	12,949	58,515	5,368	13,999	35,803	7,032	541	(9)	1,015,001
Purchased services and other	32,473	431,864	20,604	59,797	14,818	10,980	33,995	9,073	2,406	(38,984)	577,026
Medicaid enhancement and provider tax	-	82,359	4,369	11,098	2,429	3,696	11,958	3,173	-	-	119,082
Depreciation and amortization	-	64,308	5,586	10,322	3,017	5,054	6,997	1,859	535	-	97,678
Interest	32,272	30,988	1,092	1,223	494	1,074	2,028	605	55	(29,594)	40,237
Total operating expenses	<u>64,745</u>	<u>3,260,710</u>	<u>116,262</u>	<u>338,389</u>	<u>76,984</u>	<u>97,888</u>	<u>233,733</u>	<u>61,290</u>	<u>14,756</u>	<u>(168,655)</u>	<u>4,096,102</u>
Operating margin (loss)	<u>(27,873)</u>	<u>90,011</u>	<u>13,202</u>	<u>1,649</u>	<u>164</u>	<u>10,985</u>	<u>(4,217)</u>	<u>4,941</u>	<u>(2,089)</u>	<u>(1,538)</u>	<u>85,235</u>
Non-operating gains (losses)											
Investment gains, net	11,229	97,646	3,024	3,062	3,902	2,224	13,711	2,707	1,746	(1,113)	138,138
Other components of net periodic pension and post retirement benefit income	-	(23,862)	-	-	(18)	-	-	-	-	-	(23,880)
Other income (losses), net	(20,349)	(4,073)	(205)	(1,500)	(170)	356	1,829	246	7	2,651	(21,208)
Contribution revenue from acquisition	36,799	-	-	-	-	-	-	-	-	-	36,799
Total non-operating gains (losses), net	<u>27,679</u>	<u>69,711</u>	<u>2,819</u>	<u>1,562</u>	<u>3,714</u>	<u>2,580</u>	<u>15,540</u>	<u>2,953</u>	<u>1,753</u>	<u>1,538</u>	<u>129,849</u>
Excess (deficiency) of revenue over expenses	(194)	159,722	16,021	3,211	3,878	13,565	11,323	7,894	(336)	-	215,084
Net assets without donor restrictions											
Net assets released from restrictions for capital	-	1,010	134	419	251	629	117	-	-	-	2,560
Change in funded status of pension and other postretirement benefits	-	(566)	-	-	(52)	-	-	-	-	-	(618)
Net assets transferred to (from) affiliates	11,090	(54,752)	(188)	4,631	1,057	890	695	37,039	(462)	-	-
Other changes in net assets	-	(64)	-	-	-	-	-	-	-	-	(64)
Increase (decrease) in net assets without donor restrictions	<u>\$ 10,896</u>	<u>\$ 105,350</u>	<u>\$ 15,967</u>	<u>\$ 8,261</u>	<u>\$ 5,134</u>	<u>\$ 15,084</u>	<u>\$ 12,135</u>	<u>\$ 44,933</u>	<u>\$ (798)</u>	<u>\$ -</u>	<u>\$ 216,962</u>

Dartmouth-Hitchcock Health (d/b/a Dartmouth Health) and Subsidiaries Consolidating Statements of Operations and Changes in Net Assets without Donor Restrictions Year Ended June 30, 2024

<i>(in thousands of dollars)</i>	<u>Dartmouth- Hitchcock Health</u>	<u>Dartmouth- Hitchcock</u>	<u>Alice Peck Day Memorial</u>	<u>Mt. Ascutney Hospital and Health Center</u>	<u>New London Hospital Association</u>	<u>Eliminations</u>	<u>DH Obligated Group Subtotal</u>	<u>All Other Non-Obligated Group Affiliates</u>	<u>Eliminations</u>	<u>Dartmouth Health Consolidated</u>
Operating revenue and other support										
Net patient service revenue	\$ -	\$ 2,071,131	\$ 108,263	\$ 65,362	\$ 91,783	\$ -	\$ 2,336,539	\$ 454,775	\$ -	\$ 2,791,314
Contracted revenue	-	124,354	275	3,592	163	(485)	127,899	132	(107,310)	20,721
Other operating revenue	36,381	686,348	6,084	3,734	6,830	(47,705)	691,672	92,363	(3,049)	780,986
Net assets released from restrictions	-	15,568	130	311	131	-	16,140	1,986	-	18,126
Total operating revenue and other support	<u>36,381</u>	<u>2,897,401</u>	<u>114,752</u>	<u>72,999</u>	<u>98,907</u>	<u>(48,190)</u>	<u>3,172,250</u>	<u>549,256</u>	<u>(110,359)</u>	<u>3,611,147</u>
Operating expenses										
Salaries	-	1,258,760	52,917	30,657	49,683	468	1,392,485	277,941	(88,946)	1,581,480
Employee benefits	-	307,857	14,261	8,935	11,044	1,735	343,832	57,929	(10,053)	391,708
Medications and medical supplies	-	725,220	12,612	4,420	12,888	-	755,140	86,138	(1)	841,277
Purchased services and other	21,355	387,056	15,882	23,191	10,631	(22,732)	435,383	95,870	(10,034)	521,219
Medicaid enhancement and provider tax	-	71,162	4,364	2,331	3,583	-	81,440	21,287	-	102,727
Depreciation and amortization	-	59,643	3,420	2,504	4,745	-	70,312	19,673	-	89,985
Interest	32,181	32,046	779	480	1,133	(29,021)	37,598	3,919	(648)	40,869
Total operating expenses	<u>53,536</u>	<u>2,841,744</u>	<u>104,235</u>	<u>72,518</u>	<u>93,707</u>	<u>(49,550)</u>	<u>3,116,190</u>	<u>562,757</u>	<u>(109,682)</u>	<u>3,569,265</u>
Operating margin (loss)	<u>(17,155)</u>	<u>55,657</u>	<u>10,517</u>	<u>481</u>	<u>5,200</u>	<u>1,360</u>	<u>56,060</u>	<u>(13,501)</u>	<u>(677)</u>	<u>41,882</u>
Non-operating gains (losses)										
Investment gains, net	9,456	88,440	1,834	3,266	2,118	(206)	104,908	20,009	(193)	124,724
Other components of net periodic pension and post retirement benefit income	-	(22,096)	-	-	-	-	(22,096)	(606)	-	(22,702)
Other income (losses), net	(16,563)	(2,085)	8	141	1,029	(1,154)	(18,624)	(4,334)	870	(22,088)
Pension termination settlement change	-	-	-	-	-	-	-	(13,287)	-	(13,287)
Contribution revenue from acquisition	129,689	-	-	-	-	-	129,689	-	-	129,689
Total non-operating gains (losses), net	<u>122,582</u>	<u>64,259</u>	<u>1,842</u>	<u>3,407</u>	<u>3,147</u>	<u>(1,360)</u>	<u>193,877</u>	<u>1,782</u>	<u>677</u>	<u>196,336</u>
Excess (deficiency) of revenue over expenses	<u>105,427</u>	<u>119,916</u>	<u>12,359</u>	<u>3,888</u>	<u>8,347</u>	<u>-</u>	<u>249,937</u>	<u>(11,719)</u>	<u>-</u>	<u>238,218</u>
Net assets without donor restrictions										
Net assets released from restrictions for capital	-	550	93	239	174	-	1,056	14,094	-	15,150
Change in funded status of pension and other postretirement benefits	-	(929)	-	27	-	-	(902)	12,295	-	11,393
Net assets transferred to (from) affiliates	(103,764)	(33,074)	791	992	90	-	(134,965)	134,965	-	-
Other changes in net assets	-	(20)	(20)	-	-	-	(40)	(12)	-	(52)
Increase in net assets without donor restrictions	<u>\$ 1,663</u>	<u>\$ 86,443</u>	<u>\$ 13,223</u>	<u>\$ 5,146</u>	<u>\$ 8,611</u>	<u>\$ -</u>	<u>\$ 115,086</u>	<u>\$ 149,623</u>	<u>\$ -</u>	<u>\$ 264,709</u>

Dartmouth-Hitchcock Health (d/b/a Dartmouth Health) and Subsidiaries

Consolidating Statements of Operations and Changes in Net Assets without Donor Restrictions

Year Ended June 30, 2024

<i>(in thousands of dollars)</i>	<u>Dartmouth- Hitchcock Health</u>	<u>Dartmouth- Hitchcock and Subsidiaries</u>	<u>Alice Peck Day and Subsidiary</u>	<u>Cheshire and Subsidiaries</u>	<u>Mt. Ascutney and Subsidiaries</u>	<u>New London Hospital Association</u>	<u>Southwestern VT Health Care Corp and Subs</u>	<u>Visiting Nurse Assoc. and Subsidiaries</u>	<u>Eliminations</u>	<u>Dartmouth Health Consolidated</u>
Operating revenue and other support										
Net patient service revenue	\$ -	\$ 2,071,131	\$ 108,263	\$ 271,783	\$ 65,362	\$ 91,783	\$ 171,474	\$ 11,518	\$ -	\$ 2,791,314
Contracted revenue	-	124,384	275	102	3,592	163	-	-	(107,795)	20,721
Other operating revenue	36,381	689,357	17,415	28,942	5,681	6,830	45,058	2,076	(50,754)	780,986
Net assets released from restrictions	-	16,310	193	766	311	131	414	1	-	18,126
Total operating revenue and other support	<u>36,381</u>	<u>2,901,182</u>	<u>126,146</u>	<u>301,593</u>	<u>74,946</u>	<u>98,907</u>	<u>216,946</u>	<u>13,595</u>	<u>(158,549)</u>	<u>3,611,147</u>
Operating expenses										
Salaries	-	1,258,760	57,805	147,443	31,528	49,683	115,634	9,105	(88,478)	1,581,480
Employee benefits	-	307,857	15,304	34,941	9,113	11,044	19,894	1,873	(8,318)	391,708
Medications and medical supplies	-	725,220	12,627	54,458	4,427	12,888	31,059	599	(1)	841,277
Purchased services and other	21,355	390,297	19,643	51,328	24,021	10,631	32,983	3,727	(32,766)	521,219
Medicaid enhancement and provider tax	-	71,162	4,364	10,045	2,331	3,583	11,242	-	-	102,727
Depreciation and amortization	-	59,643	5,341	10,103	2,614	4,745	6,999	540	-	89,985
Interest	32,181	32,046	1,066	1,319	480	1,133	2,091	222	(29,669)	40,869
Total operating expenses	<u>53,536</u>	<u>2,844,985</u>	<u>116,150</u>	<u>309,637</u>	<u>74,514</u>	<u>93,707</u>	<u>219,902</u>	<u>16,066</u>	<u>(159,232)</u>	<u>3,569,265</u>
Operating margin (loss)	<u>(17,155)</u>	<u>56,197</u>	<u>9,996</u>	<u>(8,044)</u>	<u>432</u>	<u>5,200</u>	<u>(2,956)</u>	<u>(2,471)</u>	<u>683</u>	<u>41,882</u>
Non-operating gains (losses)										
Investment gains, net	9,456	92,397	2,182	2,971	3,387	2,118	10,474	2,138	(399)	124,724
Other components of net periodic pension and post retirement benefit income	-	(22,096)	-	(587)	(19)	-	-	-	-	(22,702)
Other income (losses), net	(16,563)	(2,085)	8	(908)	162	1,029	(3,454)	7	(284)	(22,088)
Pension termination settlement charge	-	-	-	(13,287)	-	-	-	-	-	(13,287)
Contribution revenue from acquisition	129,689	-	-	-	-	-	-	-	-	129,689
Total non-operating gains (losses), net	<u>122,582</u>	<u>68,216</u>	<u>2,190</u>	<u>(11,811)</u>	<u>3,530</u>	<u>3,147</u>	<u>7,020</u>	<u>2,145</u>	<u>(683)</u>	<u>196,336</u>
Excess (deficiency) of revenue over expenses	<u>105,427</u>	<u>124,413</u>	<u>12,186</u>	<u>(19,855)</u>	<u>3,962</u>	<u>8,347</u>	<u>4,064</u>	<u>(326)</u>	<u>-</u>	<u>238,218</u>
Net assets without donor restrictions										
Net assets released from restrictions for capital	-	665	93	8,896	239	174	5,083	-	-	15,150
Change in funded status of pension and other postretirement benefits	-	(929)	-	12,295	27	-	-	-	-	11,393
Net assets transferred to (from) affiliates	(103,764)	(33,050)	791	5,072	992	90	129,689	180	-	-
Other changes in net assets	-	(20)	(20)	(12)	-	-	-	-	-	(52)
Increase (decrease) in net assets without donor restrictions	<u>\$ 1,663</u>	<u>\$ 91,079</u>	<u>\$ 13,050</u>	<u>\$ 6,396</u>	<u>\$ 5,220</u>	<u>\$ 8,611</u>	<u>\$ 138,836</u>	<u>\$ (146)</u>	<u>\$ -</u>	<u>\$ 264,709</u>

Dartmouth-Hitchcock Health (d/b/a Dartmouth Health) and Subsidiaries

Note to Supplemental Consolidating Information

June 30, 2025 and 2024

1. Basis of Presentation

The accompanying supplemental consolidating information includes the Consolidating Balance Sheets and the Consolidating Statements of Operations and Changes in Net Assets Without Donor Restrictions of Dartmouth Health and its subsidiaries. All significant intercompany accounts and transactions between Dartmouth Health and its subsidiaries have been eliminated. The consolidating information presented is prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, consistent with the Consolidated Financial Statements. The consolidating information is presented for purposes of additional analysis of the Consolidated Financial Statements and is not required as part of the basic financial statements.

Todd P. Roberts

Professional Summary

Proven healthcare executive with exceptional record of achievement in enhancing financial operations with innovative, compliant, and strategic approaches. Exceptional partner to executive team, balancing financial principles with business targets. Seek every opportunity to improve organization's current position and long-term financial stability.

Skills

- Revenue Cycle Management
- Data Analysis
- Team Leadership
- Cash Flow Management
- Financial Leadership
- Forecasting
- Strategic Planning
- Executive Partnership
- Budget Development and Planning
- IT Systems Integration
- Financial Management
- Change Management
- Financial Reporting
- Audit Coordination
- Senior Level Presentations

Experience

Chief Financial Officer April 2025 - Current
Cheshire Medical Center

- Member of the Executive Team
- Lead the finance team on future planning and analytics
- Serve as the finance liaison to the Board of Trustees, Board of Trustee committees, and the Health System finance
- Develop operating and capital budgets in collaboration with operational and senior leaders
- Financial planning coordination to align with long term vision and strategic plan
- Collaborate with Health System treasury to strategize cash flow and opportunities

Chief Financial Officer January 2024 – April 2025
Alice Peck Day Memorial Hospital

Vice President Finance January 2020 – December 2023
Alice Peck Day Memorial Hospital

- Advise the President/CEO and other members of senior management on financial and policy related matters
- Member of the Senior Leadership Team
- Contribute to the development of annual strategic goals and objectives
- Serve as the finance liaison to the Board of Trustees, Board of Trustee committees, and the Health System finance
- Represent the organizations financial interests externally as necessary
- Member of multiple committees and ad hoc work groups
- Administrator on call rotation
- Plan, coordinate, and execute annual budget process, annual tax filings, and other State and Federal filings
- Oversee, direct, and organize the work for the finance team
- Oversee, Alice Peck Day Lifecare Corporations business office (Independent and Assisted Living facility)
- Oversee materials management department
- Establish and monitor staff performance and set expectations, establish priorities, conduct annual performance appraisals, and develop goals for continuous improvement and development/education.

Controller/Director of Fiscal November 2013 - December 2019
Alice Peck Day Memorial Hospital

- Responsible for DSH (Uncompensated Care) filing and the Medicaid Enhancement Tax filing with the State of New Hampshire
- Oversee the fiscal services department which includes payroll, cash management, AP, budgets, audit, and financial reporting
- Reconcile balance sheet accounts
- Perform analysis on all general ledger accounts and variances from budget
- Communicating areas of concern to the CFO
- Work cooperatively with the materials management director to ensure fixed asset inventory is current cash planning
- Prepare documentation for annual 990 filing as well as other monthly/quarterly reporting requirements
- Serve as the primary source for all budget data collection and budget analysis by department
- Work closely with Senior Leadership on concerns and planning to meet expectations of the hospital's financial stability
- Present financial results on a monthly basis to the finance committee for approval and answer any questions/concerns
- Member of the emergency preparedness committee and participated on certain task forces as the finance expert
- Alice Peck Day Lifecare Corporations independent and assisted living liaison to the business office
- Administrator on call rotation

Controller

December 2009 - August 2013

Casella Construction, Inc

- Managed front office operation to include HR, payroll, accounts payable, accounts receivable, and general ledger
- Oversee all IT including hardware and software as well as cellular communications
- Monthly/Yearly financial close
- Fiscal year end audit preparation and presentation
- Inventory management which includes conducting physical inventory counts and purchase order management
- Yearly P&L budget preparation
- Company 401K and health insurance administrator
- Responsible for all insurance requirements including yearly renewal, reporting claims, and audit

Owner/Partner

July 2007 - February 2013

Roberts Aubergine, LLC

- Small gourmet kitchen store located in Woodstock, VT (Aubergine)
- Sales and customer service
- Responsible for all record keeping and accounting including State sales tax filings

Financial Analyst

April 2008 - December 2009

Mt. Ascutney Hospital and Health Center

- Yearly budget preparation
- This included preparation of presentation to the State of Vermont
- Preparing monthly Medicare estimated settlement calculations for general ledger posting
- Data uploads for month end into KREG analytical/reporting tools
- Review and distribution of monthly variance reports to department managers
- Setting up rates for new procedure codes requested by physicians and billing personnel
- Prepare the financial write-up for review by the finance and audit committee
- Year end audit preparation and review
- Member of the position evaluation committee

Assistant Controller

June 2006 - April 2008

Casella Construction, Inc

- Liaison between hydraulics retail shop and the corporate office
- Oversee A/R to make sure we are following up on any delinquent accounts
- This includes filing small claims complaints with the State of Vermont
- Responsible for daily deposits and posting all job-related payments
- Review and approve all A/P postings for accuracy and timeliness
- Responsible for all monthly accounting work papers and closing procedures

- System development/implementation/main support of our software
- Entering and approving purchase orders and work orders
- Monthly inventory analysis
- Sales and Use tax, and fuel tax filings/refunds
- Monthly reconciliation of all bank accounts
- Weekly ACH payroll submission

Financial Analyst

December 2004 - May 2006

AVX Corporation

- Pricing current and new commercial fuel products for RFI's and proposals
- Quotes and cost breakdowns for military and actuation systems for multi-year opportunities
- Monthly and weekly support charges to track actuals versus budget for commercial programs
- Running of estimate-to-completes and estimate-at-completes for quarterly forecasting
- Cost and sales analysis for commercial products to show the effects of updated material, labor, and overhead rates
- Hyperion planning administrator – building and implementing the budgeting and forecasting system
- Financial representative at weekly business development meetings to bring attention to any financial requests

Staff Accountant

August 2001 - September 2003

Vermont Mutual Insurance Company

- Performed monthly bank reconciliations
- Reconciled and maintained monthly investment reports for the directors and management
- Responsible for monthly and quarterly financial filings to meet state regulations and deadlines which included monthly and quarterly state premium tax forms
- Responsible for draft check requests and authorizations for different agencies
- Annual and quarterly statement software administrator
- Depreciation updates and analysis

Education

Master of Business Administration: Organizational Leadership - Southern New Hampshire University

May 2021

Bachelor of Science: Business Administration - Saint Michael's College

May 2001

Martha Barnard, LCMHC

Objective: To work in a socially progressive setting dedicated to mental health wellness and substance abuse recovery and to further my counseling development.

Clinical Experience

COURT MENTAL HEALTH CLINICIAN

May 2017 - Current

Cheshire County Drug Court - Keene, NH

- Intensive outpatient counseling for clients diagnosed Substance Use Disorder/Co-Occurring
- Individual counseling with a caseload of 10 clients engaged in the IOP programming
- Facilitates group therapy for diagnoses of SUD/PTSD/Borderline, Antisocial Personality traits
- Administers screening and completes mental health biopsychosocial assessments
- Works on a multi-disciplinary team making treatment recommendations to the court
- Identifies appropriate community referrals to be utilized in case management

COUNSELING CLINICAL INTERN

September 2016 - May 2017

Cheshire County Department of Corrections - Keene, NH

- 1:1 counseling with caseload of 6-7 incarcerated clients with SUD and co-occurring disorders
- Co-Facilitated psychoeducational substance abuse recovery group with men and women
- Worked with clients diagnosed with PTSD, Antisocial and Borderline Personality Disorders
- Aided underprivileged, socio-economically disadvantaged clients
- Built on skills of clinical documentation by completing biopsychosocial assessments

COUNSELING CLINICAL INTERN

August 2015 - May 2016

Hilltop Recovery Residence (HCRS) - Bellows Falls, Vermont

- Provided individual supportive counseling in Level III Care
- Facilitated psychoeducational group based on vocation/education
- Co-Facilitated therapeutic group counseling on topic of interpersonal/intimate relationships
- Trained in assessment, screening, and treatment planning
- Displayed competence in clinical documentation

TRANSITIONAL AID/RESIDENTIAL COUNSELOR

Jan 2008 - July 2010

Antrim Girls Shelter & School - Antrim, NH

- Provided social, emotional, and behavioral counseling to girls ages 11-17
- Assessed and encouraged comfortable transition to on-site school
- Utilized 1:1 crisis stabilization, team building, group and/or individual counseling
- Accepted responsibilities of Charge Staff
- Acted as an adolescent's advocate to the court

Education

Antioch University New England - Keene, NH May 2017
Master of Arts in Clinical Mental Health Counseling/Substance Abuse concentration
Chi Sigma Iota - Counseling Academic and Professional Honor Society International

Keene State College - Keene, NH May 2007
Bachelor of Arts in Sociology, Minor in Women's Studies

Certifications/Licenses

Issue

Date

- State of NH Board Licensed Clinical Mental Health Counselor 2020
- Basic Life Support (CPR/AED) 2021
- MRT Domestic Violence Certification 2020
- NCC National Certified Counselor 2017
- Moral Reconciliation Therapy Certification 2017
 - Cognitive Behavioral Therapy to address criminal thinking/behavior
 - MRT Trauma certification
- CPI - Nonviolent Crisis Intervention 2017
- New Hampshire Disaster Behavioral Response Team 2015

Skills

- EMDR 40-hour basic training 2021
- Dialectical Behavior Therapy 2019
 - Basics in teaching groups and integrating skills for individual therapy

References Available Upon Request