

Lori A. Weaver
Commissioner

Katja S. Fox
Director

108 - 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 Southern New Hampshire Health System, Inc., (VC#177-321-B004), Nashua, NH, to continue operating a single point of entry Doorway for individuals seeking access to substance use-related services and supports, by exercising a contract renewal option increasing the total price limitation by \$6,575,096 from \$8,413,000 to \$14,988,096, which includes increasing the individual price limitation by \$1,636,112 from \$3,150,000 to \$4,786,112 and increasing the shared price limitation by \$4,938,984, from \$5,263,000 to \$10,201,984 for unmet and flexible needs funding among all nine (9) Doorway Contractors and extending the completion date from September 29, 2026 to September 29, 2027, effective upon Governor and Council approval. 91.64% Federal Funds. 8.36% General Funds.

The original contract was approved by Governor and Council on March 12, 2025, Item #21.

Funds are available in the following accounts for State Fiscal Years 2026 and 2027, and are anticipated to be available in State Fiscal Year 2028, 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 Contractor will continue to provide the resources and supports necessary to strengthen existing prevention, treatment, and recovery services. This includes promoting

Her Excellency, Governor Kelly A. Ayotte
and the Honorable Council
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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 4,855 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.

As referenced in Exhibit A, Revisions to Standard Agreement Provisions of the original agreement, the parties have the option to extend the agreement for up to five (5) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties and Governor and Council approval. The Department is exercising its option to renew services for one (1) of the five (5) years available.

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	\$1,181,250.00	\$0	\$1,181,250.00
2026	074-500589	Welfare Assistance	92057070	\$393,750.00	\$0	\$393,750.00
2026	074-500589	Welfare Assistance	92057076	\$1,181,250.00	\$30,556.00	\$1,211,806.00
2027	074-500589	Welfare Assistance	92057076	\$393,750.00	\$0	\$393,750.00
2027	074-500589	Welfare Assistance	TBD	\$0	\$1,211,806.00	\$1,211,806.00
2028	074-500589	Welfare Assistance	TBD	\$0	\$393,750.00	\$393,750.00
			Subtotal	\$3,150,000.00	\$1,636,112.00	\$4,786,112.00

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
2027	102-500731	Contracts for Prog Svc	92058511	\$0	\$412,500.00	\$412,500.00
			Subtotal	\$1,063,000.00	\$550,000.00	\$1,613,000.00

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
2027	074-500589	Welfare Assistance	TBD	\$0	\$2,583,369.00	\$2,583,369.00
2028	074-500589	Welfare Assistance	TBD	\$0	\$861,123.00	\$861,123.00
			Subtotal	\$4,200,000.00	\$4,388,984.00	\$8,588,984.00

Overall Total	\$8,413,000.00	\$6,575,096.00	\$14,988,096.00
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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 Southern New Hampshire Health System, Inc. ("the Contractor").

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on March 12, 2025 (Item #21), 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 1.7., Completion Date, to read:
September 29, 2027
2. Form P-37, General Provisions, Block 1.8., Price Limitation, to read:
\$14,988,096
3. Modify Exhibit A - Revisions to Standard Provisions, by adding Subsection 1.4., to read:
1.4 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.
4. 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;
5. Modify Exhibit B, Scope of Services, Section 1.2.2., to read:
1.2.2. A minimum of one (1) physical location for individuals to receive face-to-face services, ensuring any request for a change in location is submitted to the Department for approval, no later than 30 business days prior to the requested move. The Contractor may:

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.

10. 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.

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

1. This Agreement is funded by:

- 1.1. 89.24% Federal funds, Federal funds, State Opioid Response (SOR), awarded by the DHHS Substance Abuse and Mental Health Services Administration (SAMHSA), ALN 93.788, as 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. 7.09% Other funds (Governor's Commission).
- 1.3. 3.67% General funds

12. 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 Exhibits C-1, Doorway Services Budget through Exhibit C-3, Doorway Services Budget – Amendment #1.

13. 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 \$10,201,984. 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. \$8,588,984 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;

5.1.1.2. \$2,944,492 from September 30, 2025 through September 29, 2026; and

5.1.1.3. \$3,444,492 from September 30, 2026 through September 29, 2027; and

5.1.2. \$1,613,000 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;

5.1.2.2. \$625,500 from September 30, 2025 through September 29, 2026; and

5.1.2.3. \$412,500 from September 30, 2026 through June 30, 2027.

14. 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.

15. Add Exhibit C-3, 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

5/11/2026

Date

DocuSigned by:
Katja S. Fox
ED9B05B04C63442...

Name: Katja S. Fox
Title: Director

Southern New Hampshire Health System, Inc.

5/11/2026

Date

DocuSigned by:
Colin Mchugh
32C0D01D9319461...

Name: Colin Mchugh
Title: President & CEO

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

OFFICE OF THE ATTORNEY GENERAL

5/11/2026

Date

DocuSigned by:

Robyn Guarino

748734844041460

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:		Southern New Hampshire Health System, Inc.										
Budget Request for:		DOORWAY SERVICES: September 20, 2024 through September 29, 2026										
direct Cost Rate (if applicable)		0.39%										
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	\$538,837	\$124,414	\$414,423	\$195,190	\$34,942	\$160,248	\$466,935	\$59,276	\$407,659	\$195,178	\$34,942	\$160,236
2. Fringe Benefits	\$125,599	\$0	\$125,599	\$48,567	\$0	\$48,567	\$156,778	\$0	\$156,778	\$48,562	\$0	\$48,562
3. Consultants	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4. Equipment												
Indirect cost rate cannot be applied to equipment costs per 2 CFR 200.1 and Appendix IV to 2 CFR 200.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5.(a) Supplies - Educational	\$1,800	\$0	\$1,800	\$253	\$0	\$253	\$900	\$0	\$900	\$600	\$0	\$600
5.(b) Supplies - Lab	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5.(c) Supplies - Pharmacy	\$135,992	\$0	\$135,992	\$21,000	\$0	\$21,000	\$139,000	\$0	\$139,000	\$40,020	\$0	\$40,020
5.(d) Supplies - Medical	\$12,500	\$0	\$12,500	\$3,000	\$0	\$3,000	\$9,157	\$0	\$9,157	\$6,000	\$0	\$6,000
5.(e) Supplies - Office	\$8,750	\$0	\$8,750	\$1,950	\$0	\$1,950	\$7,200	\$0	\$7,200	\$3,000	\$0	\$3,000
6. Travel	\$2,700	\$0	\$2,700	\$450	\$0	\$450	\$3,300	\$0	\$3,300	\$1,200	\$0	\$1,200
7. Software	\$0	\$0	\$0	\$0	\$0	\$0	\$30,556	\$0	\$30,556	\$0	\$0	\$0
8. (a) Other - Marketing/Communications	\$1,490	\$0	\$1,490	\$300	\$0	\$300	\$900	\$0	\$900	\$600	\$0	\$600
8. (b) Other - Education and Training	\$4,500	\$0	\$4,500	\$900	\$0	\$900	\$2,700	\$0	\$2,700	\$1,800	\$0	\$1,800
8. (c) Other - Other (specify below)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other -Occupancy	\$47,466	\$0	\$47,466	\$15,822	\$0	\$15,822	\$47,466	\$0	\$47,466	\$15,822	\$0	\$15,822
Other (please specify)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other (please specify)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other (please specify)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other (please specify)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other (please specify)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other (please specify)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9. Subrecipient Contracts	\$270,000	\$0	\$270,000	\$90,000	\$0	\$90,000	\$253,100	\$0	\$253,100	\$64,650	\$0	\$64,650
Total Direct Costs	\$1,149,634	\$124,414	\$1,025,220	\$377,432	\$34,942	\$342,490	\$1,117,992	\$59,276	\$1,058,716	\$377,432	\$34,942	\$342,490
Total Indirect Costs	\$6,030	\$0	\$6,030	\$1,260	\$0	\$1,260	\$3,090	\$0	\$3,090	\$1,260	\$0	\$1,260
Subtotals	\$1,155,664	\$124,414	\$1,031,250	\$378,692	\$34,942	\$343,750	\$1,121,082	\$59,276	\$1,061,806	\$378,692	\$34,942	\$343,750
									TOTAL			\$2,780,556

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Contractor Initials: _____
Date: 5/11/2026

New Hampshire Department of Health and Human Services

Contractor Name: *Southern New Hampshire Health System, Inc.*

Budget Request for: *DOORWAY SERVICES: September 30, 2026 - September 29, 2027*

Indirect Cost Rate (if applicable) 0.18%

9/30/26-6/30/27

7/1/27-9/29/27

Line Item	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	\$613,829	\$154,916	\$458,913	\$204,610	\$51,639	\$152,971
2. Fringe Benefits	\$186,033	\$0	\$186,033	\$62,011	\$0	\$62,011
3. Consultants	\$0	\$0	\$0	\$0	\$0	\$0
4. Equipment	\$0	\$0	\$0	\$0	\$0	\$0
Indirect cost rate cannot be applied to equipment costs per 2 CFR 200.1 and Appendix IV to 2 CFR 200.	\$0	\$0	\$0	\$0	\$0	\$0
5.(a) Supplies - Educational	\$4,500	\$0	\$4,500	\$1,500	\$0	\$1,500
5.(b) Supplies - Lab	\$248	\$0	\$248	\$0	\$0	\$0
5.(c) Supplies - Pharmacy	\$180,000	\$0	\$180,000	\$60,000	\$0	\$60,000
5.(d) Supplies - Medical	\$40,500	\$0	\$40,500	\$13,500	\$0	\$13,500
5.(e) Supplies - Office	\$27,000	\$0	\$27,000	\$9,000	\$0	\$9,000
6. Travel	\$5,400	\$0	\$5,400	\$1,800	\$0	\$1,800
7. Software	\$30,556	\$0	\$30,556	\$0	\$0	\$0
8. (a) Other - Marketing/Communications	\$4,500	\$0	\$4,500	\$1,500	\$0	\$1,500
8. (b) Other - Education and Training	\$13,500	\$0	\$13,500	\$4,500	\$0	\$4,500
8. (c) Other - Other (specify below)	\$0	\$0	\$0	\$0	\$0	\$0
<i>Other- (Occupancy)</i>	\$87,201	\$0	\$87,201	\$29,483	\$0	\$29,483
<i>Other- (Contingency Management)</i>	\$22,455	\$0	\$22,455	\$7,485	\$0	\$7,485
<i>Other- (please specify)</i>	\$0	\$0	\$0	\$0	\$0	\$0
<i>Other- (please specify)</i>	\$0	\$0	\$0	\$0	\$0	\$0
<i>Other (please specify)</i>	\$0	\$0	\$0	\$0	\$0	\$0
<i>Other (please specify)</i>	\$0	\$0	\$0	\$0	\$0	\$0
9. Subrecipient Contracts-	\$151,000	\$0	\$151,000	\$50,000	\$0	\$50,000
0	\$0	\$0	\$0	\$0	\$0	\$0
Total Direct Costs	\$1,366,722	\$154,916	\$1,211,806	\$445,389	\$51,639	\$393,750
Total Indirect Costs	\$4,833	\$0	\$0	\$1,611	\$0	\$0
Subtotals	\$1,371,555	\$154,916	\$1,211,806	\$447,000	\$51,639	\$393,750
				TOTAL	\$	1,605,556

Contractor Initials: CM

State of New Hampshire

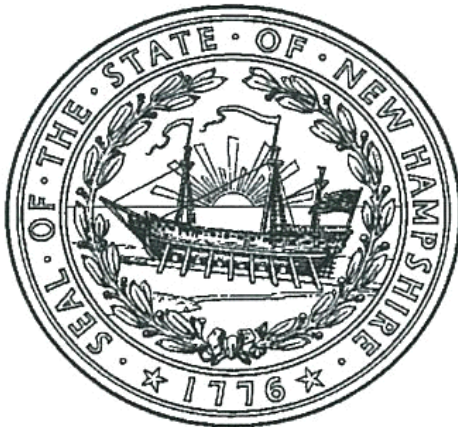
Department of State

CERTIFICATE

I, David M. Scanlan, Secretary of State of the State of New Hampshire, do hereby certify that SOUTHERN NEW HAMPSHIRE HEALTH SYSTEM, INC. is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on April 08, 1998. 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: **291619**

Certificate Number: **0007912412**



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 20th day of April A.D. 2026.

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

David M. Scanlan
Secretary of State

CERTIFICATE OF AUTHORITY


I, Craig Fitzgerald, hereby certify that:

1. I am a duly elected Clerk/Secretary/Officer of Southern New Hampshire Health System, Inc.
2. The following is a true copy of a vote taken at a meeting of the Board of Trustees, duly called and held on May 4, 2026 at which a quorum of the Trustees was present and voting.

VOTED: That Colin McHugh, President/CEO, or Kenneth Matsis, Senior Vice-President/Chief Financial Officer, are each duly authorized on behalf of Southern New Hampshire Health System, Inc., to enter into contracts or agreements with the State 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: 04 May 26



Signature of Elected Officer
Name: Craig Fitzgerald
Title: Chair, Board of Trustees

NONPROFIT COVER SHEET

A. Entity Name: Southern New Hampshire Health System, Inc.

B. Entity's Contact Information:

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

Name / Phone / Email: Judy Graham/603-281-9705/Judith.Graham@snhhs.org

Person responsible for Accuracy and Completeness of information provided:

Name:

Title:

Signature:

Judy Graham *Practice Manager*

C. List Board of Directors and Affiliations

<u>Name (Identify any additional role(s) in Parentheses)</u> E.g., John Doe (President)	<u>Affiliations</u>
Melliya Annamalai, PhD	Oracle
Helen Honorow, Esq.	Honorow & Barry
Peter Apostolicas	Retired
John Friberg, Esq. [EO, non-voting]	SolutionHealth
Bobbie D. Bagley, MS, MPH, RN, CPH	City of Nashua Public Health
Hon. Joseph N. Laplante, Board Vice Chair and SolutionHealth Ex-Officio	State of NH
Mark William (Wills) Begor, Treasurer	Beaupost
Karen Maynard, MD	Southern New Hampshire Health System
Heather Bender	HealthEdge Software
Colin McHugh [EO], President and Secretary	Southern New Hampshire Health System
Sister Paula Marie Buley	Rivier University
Brett Sweeney, MD	Southern New Hampshire Health System
Alonzo DeBerry	Retired
Eitan Zeira	DEKA
Craig Fitzgerald, Board Chair	Boys and Girls Club of New Hampshire

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>
Colin McHugh	President and CEO	\$889,205	\$0
Kenneth Matsis	Senior Vice President of Finance and CFO	\$258,010	\$0

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

E. Check one of the following:

- 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).

See attached.

CHARITABLE TRUSTS UNIT COMPLIANCE CERTIFICATION

F. Check one of the following:

- 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>

19266	Southern NH Health System, Inc.	8 Prospect Street PO Box 2014	Nashua	NH	03061-2014	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>Other salaries & wages</i>	\$
<i>Program Services Revenue</i>	\$	<i>Payroll taxes & employee benefits</i>	\$
<i>Interest & Dividends</i>	\$	<i>Occupancy, rent, utilities, and insurance</i>	\$
<i>All other Revenue</i>	\$	<i>Printing, publications, postage, office supplies, and IT</i>	\$
<u>Total Revenue</u>	\$	<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>	\$		

Section E: Supplemental Response

- 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).

Brief Description:

Based on a review of records currently available, Southern New Hampshire Health System, Inc. (SNHHS)¹ has been involved in the following legal proceeding(s):

Legal Proceeding	Details
Dartmouth-Hitchcock Clinic, et al., v. Nicholas Toumpas, Commissioner, N.H. Dept. of Health and Human Services, Case No. 11-cv-358-SM Jurisdiction/Court: Grafton, NH Superior Court & US Dist. Ct, Dist of NH	SNHHS, on behalf of Southern New Hampshire Medical Center (SNHMC), joined the hospitals in the State of New Hampshire in a proceeding against the Commissioner of NH DHHS regarding certain Medicaid reimbursement rate reductions, related to disproportionate share (“DSH”) funding.

¹ The information provided is based on a reasonable search of the entity’s current records as of the date of this response. This response does not include legal proceedings of SNHHS’s subsidiaries or affiliates where SNHHS was not a party to such proceeding. This response includes only suits, which were filed in a state or federal court or tribunal, and which are adverse to the State of New Hampshire (or any agency or subdivision thereof) or any other state/federal government entity.

Southern New Hampshire Health

Mission

Why We Exist

Vision

Our Aspiration

Values

The Essence of Who We Are

Work as One, Speak Up, Raise the Bar, Own It and Innovate Now.

Mission

Southern New Hampshire Health is dedicated to providing exceptional care that improves the health and well-being of individuals and the communities we serve.

Vision

Southern New Hampshire Health, a member of SolutionHealth, is a premier integrated health care delivery system focused on value innovation and providing superior patient experience through highly engaged dedicated care teams leveraging the latest technology.

Values: Patient Centered

Respect

We respect YOU. We listen to how YOU feel and understand YOUR concerns. We respect one another as colleagues, caregivers and people.

Accountability

We come together collectively and look beyond the individual. We are stewards of our resources to optimize your health and wellbeing, mind, body and spirit.

Compassion

We care for your family like our own. We truly embody, caring people, inspiring health and wellness.

Commitment

We are committed to excellence in everything we do. We are true partners in health, upholding the highest standards of safety, quality, and deliver exceptional experience and empower healthier lifestyles throughout our community.

KEY RESULTS FRAMEWORK

Optimize What We Do Today...Innovate For The Future

Value



- Enhanced Margin
- New Models of Care, including Behavioral Health care

Quality



- CMS 4 Stars
- ACO Quality Performance

Growth



- Ambulatory Encounters
- Surgical Volume
- Local Care

Engagement



- EpicOne
- Employee, Provider and Patient Satisfaction
- Workforce Development



Cultural Beliefs

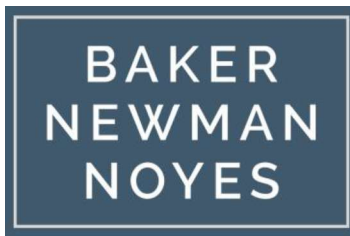
WORK AS ONE: I share my talents and strengths to advance OUR mission.

SPEAK UP: I communicate openly, candidly, and with respect for the viewpoint of others.

RAISE THE BAR: I continuously improve to achieve the highest quality in all I do.

OWN IT: I take accountability to connect everything I do to deliver OUR results.

INNOVATE NOW: I inspire and embrace innovation to transform lives.



Southern New Hampshire Health System, Inc.

Consolidated Financial Statements and Other Financial Information

*For the Years Ended June 30, 2024 and 2023
With Independent Auditors' Report*

Baker Newman & Noyes LLC
MAINE | MASSACHUSETTS | NEW HAMPSHIRE
800.244.7444 | www.bnncpa.com



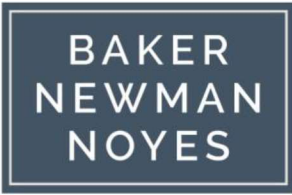
SOUTHERN NEW HAMPSHIRE HEALTH SYSTEM, INC.

**CONSOLIDATED FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION**

For the Years Ended June 30, 2024 and 2023

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Southern New Hampshire Health System, Inc.

Opinion

We have audited the consolidated financial statements of Southern New Hampshire Health System, Inc. (the System) which comprise the consolidated balance sheets as of June 30, 2024 and 2023, the related consolidated statements of operations and changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the System as of June 30, 2024 and 2023, and the results of its operations, changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (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 System and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 System's ability to continue as a going concern within one year after the date that the consolidated financial statements are issued or available to be issued.

Board of Trustees
Southern New Hampshire Health System, Inc.

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 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 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 System'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 System'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.

Baku Newman & Noyes LLC

Manchester, New Hampshire
October 22, 2024

SOUTHERN NEW HAMPSHIRE HEALTH SYSTEM, INC.**CONSOLIDATED BALANCE SHEETS**

June 30, 2024 and 2023

ASSETS

	<u>2024</u>	<u>2023</u>
Current assets:		
Cash and cash equivalents	\$ 7,183,904	\$ 3,396,018
Accounts receivable (notes 2, 4 and 15)	46,649,312	41,532,533
Inventories	8,539,846	9,278,600
Amounts due from SolutionHealth, Inc. (note 1)	—	645,310
Prepaid expenses and other current assets	5,097,996	3,973,625
Funds held by trustee (notes 5, 8, 13 and 15)	<u>2,405,375</u>	<u>2,337,755</u>
Total current assets	69,876,433	61,163,841
Investments (notes 5 and 13)	102,079,244	90,881,891
Assets whose use is limited (notes 5 and 13):		
Employee benefit plans and other (note 2)	46,521,741	39,799,753
Board designated and donor-restricted	<u>123,474,420</u>	<u>114,468,224</u>
	169,996,161	154,267,977
Property, plant and equipment, net (notes 7 and 11)	129,735,749	138,902,707
Operating lease right-of-use assets, net (note 11)	13,904,494	12,507,792
Other assets (note 2)	6,648,613	10,685,471
	_____	_____
Total assets	<u>\$492,240,694</u>	<u>\$468,409,679</u>

LIABILITIES AND NET ASSETS

	<u>2024</u>	<u>2023</u>
Current liabilities:		
Accounts payable and other accrued expenses	\$ 21,435,521	\$ 25,073,939
Accrued compensation and related taxes	26,401,687	22,862,663
Accrued interest payable	497,860	521,760
Amounts due to affiliates (note 1)	352,847	514,108
Amounts due to SolutionHealth, Inc. (note 1)	10,374,625	5,085,498
Amounts payable to third-party payors (note 3)	14,730,822	18,506,276
Current portion of operating lease liabilities (note 11)	1,509,961	1,379,122
Current portion of long-term debt and finance lease liabilities (notes 8 and 11)	5,347,794	5,184,372
Borrowings under line of credit agreement (notes 8 and 11)	<u>10,000,000</u>	<u>10,000,000</u>
Total current liabilities	90,651,117	89,127,738
Other liabilities (notes 2 and 9)	62,806,387	58,204,213
Operating lease liabilities, less current portion (note 11)	12,394,533	11,128,670
Long-term debt and finance lease liabilities, less current portion and net of unamortized financing costs (notes 8 and 11)	56,891,789	62,535,144
Net assets:		
Without donor restrictions	264,439,503	242,491,590
With donor restrictions (note 6)	<u>5,057,365</u>	<u>4,922,324</u>
	<u>269,496,868</u>	<u>247,413,914</u>
Total liabilities and net assets	<u>\$492,240,694</u>	<u>\$468,409,679</u>

See accompanying notes.

SOUTHERN NEW HAMPSHIRE HEALTH SYSTEM, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS

Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Operating revenue:		
Patient service revenue (note 3)	\$455,735,361	\$399,213,419
Disproportionate share hospital revenue (note 14)	19,476,807	15,264,195
Interest and dividends (note 5)	1,422,396	1,757,436
Other revenue (notes 2 and 3)	13,808,494	11,338,989
Net assets released from restriction for operations	<u>36,380</u>	<u>—</u>
Total operating revenue	490,479,438	427,574,039
Operating expenses (note 10):		
Salaries and wages	219,346,139	212,315,384
Employee benefits (notes 2 and 9)	44,429,503	36,693,018
Supplies and other expenses (note 1)	184,970,283	162,360,205
Depreciation	16,808,270	17,396,275
New Hampshire Medicaid enhancement tax (note 14)	15,245,170	13,348,555
Interest (note 8)	<u>3,029,711</u>	<u>2,647,565</u>
Total operating expenses	<u>483,829,076</u>	<u>444,761,002</u>
Income (loss) from operations	6,650,362	(17,186,963)
Nonoperating gains (losses):		
Investment income (note 5)	23,991,421	11,466,276
Contributions, nonoperating revenues and other net losses	(199,591)	(418)
Net periodic pension loss (note 9)	<u>(1,564,197)</u>	<u>(971,451)</u>
Total nonoperating gains, net	<u>22,227,633</u>	<u>10,494,407</u>
Excess (deficiency) of revenues and nonoperating gains over expenses	28,877,995	(6,692,556)
Transfers to SolutionHealth, Inc.	(7,500,000)	(11,285,430)
Pension adjustment (note 9)	509,918	787,449
Net assets released from restriction for capital purchases	<u>60,000</u>	<u>1,009,952</u>
Increase (decrease) in net assets without donor restrictions	21,947,913	(16,180,585)
Contributions of net assets with donor restrictions	231,421	113,497
Net assets released from restriction for capital purchases	(60,000)	(1,009,952)
Net assets released from restriction for operations	<u>(36,380)</u>	<u>—</u>
Increase (decrease) in net assets with donor restrictions	<u>135,041</u>	<u>(896,455)</u>
Increase (decrease) in net assets	22,082,954	(17,077,040)
Net assets at beginning of year	<u>247,413,914</u>	<u>264,490,954</u>
Net assets at end of year	<u>\$269,496,868</u>	<u>\$247,413,914</u>

See accompanying notes.

SOUTHERN NEW HAMPSHIRE HEALTH SYSTEM, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Operating activities and net gains and losses:		
Increase (decrease) in net assets	\$ 22,082,954	\$(17,077,040)
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities and net gains:		
Net gains on investments	(22,026,208)	(9,229,973)
Depreciation	16,808,270	17,396,275
Transfers to SolutionHealth, Inc.	7,500,000	11,285,430
Restricted gifts and bequests	(231,421)	(113,497)
Pension adjustment	(509,918)	(787,449)
Bond premium and issuance cost amortization	(272,445)	(289,102)
Changes in cash from certain working capital and other items:		
Accounts receivable	(5,116,779)	(149,631)
Inventories, prepaid expenses and other assets	3,651,241	(4,977,346)
Amounts due to affiliates	(161,261)	514,108
Amounts due to/from SolutionHealth, Inc.	5,934,437	(9,694,744)
Accounts payable, other accrued expenses and other liabilities	(5,272,214)	4,109,379
Accrued compensation and related taxes	3,539,024	(4,786,573)
Amounts payable to third-party payors	<u>(3,775,454)</u>	<u>(4,992,612)</u>
Net cash provided (used) by operating activities and net gains	22,150,226	(18,792,775)
Investing activities:		
Purchases of property, plant and equipment	(7,641,312)	(13,697,159)
Increase in funds held by trustee	(67,620)	(71,108)
Net sale of investments	<u>1,822,659</u>	<u>42,352,663</u>
Net cash (used) provided by investing activities	(5,886,273)	28,584,396
Financing activities:		
Payment of long-term debt and finance lease liabilities	(5,207,488)	(6,612,406)
Payment of borrowings under line of credit agreement	(19,000,000)	(23,000,000)
Proceeds from borrowings under line of credit agreement	19,000,000	28,000,000
Transfers to SolutionHealth, Inc.	(7,500,000)	(11,285,430)
Restricted gifts and bequests	<u>231,421</u>	<u>113,497</u>
Net cash used by financing activities	<u>(12,476,067)</u>	<u>(12,784,339)</u>
Increase (decrease) in cash and cash equivalents	3,787,886	(2,992,718)
Cash and cash equivalents at beginning of year	<u>3,396,018</u>	<u>6,388,736</u>
Cash and cash equivalents at end of year	\$ <u>7,183,904</u>	\$ <u>3,396,018</u>

Supplemental disclosure for noncash transactions:

See note 11 with respect to certain noncash activities related to leases.

See accompanying notes.

SOUTHERN NEW HAMPSHIRE HEALTH SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended June 30, 2024 and 2023

1. Organization

Southern New Hampshire Health System, Inc. is a not-for-profit entity organized under New Hampshire law to support Southern New Hampshire Medical Center and Affiliate (the Medical Center) and Foundation Medical Partners, Inc. (the Foundation), collectively referred to as "the System." Both the Medical Center and the Foundation are not-for-profit entities, established to provide medical services to the people of the greater Nashua area. The Medical Center also includes a wholly-owned affiliate, the Surgery Center of Greater Nashua (the Surgery Center), a not-for-profit corporation organized under New Hampshire law to provide a wide range of ambulatory surgical services.

In December 2019, Board of Trustees of the System voted to establish the Legacy Trust of Southern New Hampshire Health, Inc. (the Legacy Trust). The Legacy Trust is organized as a New Hampshire nonprofit corporation. The Legacy Trust was established in order to support the current, ongoing and future resource needs of the System.

The sole corporate member of the System is SolutionHealth, Inc. SolutionHealth, Inc. performs certain administrative services on behalf of the System such as marketing, human resource functions, information technology services, finance and accounting, and materials management. These services are allocated and billed to the System on a monthly basis. For the years ended June 30, 2024 and 2023, allocated amounts totaled \$57,533,207 and \$49,467,057, respectively, which were comprised of expenses related to the administrative services noted above, as well as supplies and other expenses. Net amounts due to SolutionHealth, Inc. for these services total \$10,374,625 and \$4,440,188 as of June 30, 2024 and 2023, respectively, and are included in amounts due to/from SolutionHealth, Inc. on the accompanying consolidated balance sheets.

The System also participates in certain other strategic affiliation and joint operating agreements with outside entities. Amounts due to other affiliated entities as of June 30, 2024 and 2023 total \$352,847 and \$514,108, respectively, and are included within amounts due to affiliates in the accompanying consolidated balance sheets.

2. Significant Accounting Policies**Principles of Consolidation**

These consolidated financial statements include the accounts of the System, which has no separate assets, liabilities, or operations other than its interests in the Medical Center inclusive of the Surgery Center, Foundation and the Legacy Trust, which fully eliminate in consolidation. All other significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates are used in the areas of accounts receivable, alternative investment funds, insurance costs, employee benefit plans, third-party payor settlements and contingencies. It is reasonably possible that actual results could differ from those estimates.

SOUTHERN NEW HAMPSHIRE HEALTH SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended June 30, 2024 and 2023

2. Significant Accounting Policies (Continued)

Net Assets With Donor Restrictions

Gifts are reported as restricted support if they are received with donor stipulations that limit the use of donated assets. When a donor restriction expires (when a stipulated time restriction ends or purpose restriction is accomplished), restricted net assets are reclassified as net assets without donor restriction and reported in the statement of operations as either net assets released from restrictions (for noncapital related items) or as net assets released from restrictions used for capital purchases (capital related items). Some restricted net assets have been restricted by donors to be maintained by the System in perpetuity.

Except for contributions related to capital purchases, donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying consolidated financial statements.

Performance Indicator

For purposes of display, transactions deemed by management to be ongoing, major or central to the provision of health care services are reported as operating revenue and expenses. Peripheral transactions are reported as nonoperating gains or losses.

The consolidated statements of operations and changes in net assets includes excess (deficiency) of revenues and nonoperating gains over expenses. Changes in net assets without donor restrictions which are excluded from excess (deficiency) of revenues and nonoperating gains over expenses, consistent with industry practice, include pension adjustments, releases of net assets from restriction for capital purposes, and transfers to affiliates.

Income Taxes

The System, Medical Center, Surgery Center, Legacy Trust and Foundation are not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code, and are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. Management evaluated the System's tax positions and concluded the System has maintained its tax-exempt status, does not have any significant unrelated business income and has taken no uncertain tax positions that require adjustment to the consolidated financial statements.

SOUTHERN NEW HAMPSHIRE HEALTH SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended June 30, 2024 and 2023

2. Significant Accounting Policies (Continued)*Patient Service Revenue*

Revenues generally relate to contracts with patients in which the System's performance obligations are to provide health care services to patients. Revenues are recorded during the period obligations to provide health care services are satisfied. Performance obligations for inpatient services are generally satisfied over a period of days. Performance obligations for outpatient services are generally satisfied over a period of less than one day. The contractual relationships with patients, in most cases, also involve a third-party payor (Medicare, Medicaid, managed care health plans and commercial insurance companies, including plans offered through the health insurance exchanges) and the transaction prices for the services provided are dependent upon the terms provided by Medicare and Medicaid or negotiated with managed care health plans and commercial insurance companies, the third-party payors. The payment arrangements with third-party payors for the services provided to related patients typically specify payments at amounts less than standard charges. Medicare generally pays for inpatient and outpatient services at prospectively determined rates based on clinical, diagnostic and other factors. Services provided to patients having Medicaid coverage are generally paid at prospectively determined rates per discharge, per identified service or per covered member. Agreements with commercial insurance carriers, managed care and preferred provider organizations generally provide for payments based upon predetermined rates per diagnosis, per diem rates or discounted fee-for-service rates. Management continually reviews the revenue recognition process to consider and incorporate updates to laws and regulations and the frequent changes in managed care contractual terms resulting from contract renegotiations and renewals.

The collection of outstanding receivables for Medicare, Medicaid, managed care payers, other third-party payors and patients is the System's primary source of cash and is critical to its operating performance. The primary collection risks relate to uninsured patient accounts, including patient accounts for which the primary insurance carrier has paid the amounts covered by the applicable agreement, but patient responsibility amounts (deductibles and copayments) remain outstanding. Implicit price concessions relate primarily to amounts due directly from patients. Estimated implicit price concessions are recorded for all uninsured accounts, regardless of the aging of those accounts. Accounts are written off when all reasonable internal and external collection efforts have been performed. The estimates for implicit price concessions are based upon management's assessment of historical write-offs and expected net collections, business and economic conditions, trends in federal, state and private employer health care coverage and other collection indicators. Management relies on the results of detailed reviews of historical write-offs and collections at facilities that represent a majority of hospital revenues and accounts receivable (the "hindsight analysis") as a primary source of information in estimating the collectibility of accounts receivable. Management performs the hindsight analysis regularly, utilizing rolling twelve-months accounts receivable collection and write-off data. Management believes its regular updates to the estimated implicit price concession amounts provide reasonable estimates of revenues and valuations of accounts receivable. These routine, regular changes in estimates have not resulted in material adjustments to the valuations of accounts receivable or period-to-period comparisons of operations. At June 30, 2024 and 2023, estimated implicit price concessions of \$15,801,707 and \$10,773,991, respectively, had been recorded as reductions to accounts receivable balances to enable the System to record revenues and accounts receivable at the estimated amounts expected to be collected.

SOUTHERN NEW HAMPSHIRE HEALTH SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended June 30, 2024 and 2023

2. Significant Accounting Policies (Continued)*Charity Care*

The System has a formal charity care policy under which patient care is provided without charge or at amounts less than its established rates to patients who meet certain criteria. The System does not pursue collection of amounts determined to qualify as charity care and, therefore, they are not reported as revenue. The System determines the costs associated with providing charity care by calculating a ratio of cost to gross charges, and then multiplying that ratio by the gross uncompensated charges associated with providing care to patients eligible for free care.

Cash and Cash Equivalents

Cash and cash equivalents include short-term investments and secured repurchase agreements which have an original maturity of three months or less when purchased.

The System maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The System has not experienced any losses on such accounts.

Accounts Receivable

Under the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers*, when an unconditional right to payment exists, subject only to the passage of time, the right is treated as a receivable. Patient accounts receivable for which the unconditional right to payment exists are receivables if the right to consideration is unconditional and only the passage of time is required before payment of that consideration is due. Estimated uncollectible amounts are generally considered implicit price concessions that are a direct reduction to accounts receivable rather than allowance for doubtful accounts.

Inventories

Inventories of supplies and pharmaceuticals are carried at the lower of cost (determined by a weighted average method) or net realizable value.

Funds Held by Trustee

Funds held by trustee are recorded at fair value and are comprised of short-term investments.

SOUTHERN NEW HAMPSHIRE HEALTH SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended June 30, 2024 and 2023

2. Significant Accounting Policies (Continued)*Investments and Investment Income*

Investments are measured at fair value in the consolidated balance sheets. The fair value of debt securities and marketable equity securities are based on quoted market prices. The System carries alternative investments at net asset value (NAV), which estimates fair value as determined by management based upon valuations provided by the respective fund managers or general partners. Alternative investments include private equity, venture capital, hedge funds, and real estate. The System's investments are subject to various risks, such as interest rate, credit, and overall market volatility, which may substantially impact the value of such investments at any given time. Interest and dividend income on unlimited use investments and operating cash is reported within operating revenues. Investment income or loss on assets whose use is limited (including gains and losses on investments, and interest and dividends) is included in the excess (deficiency) of revenues and nonoperating gains over expenses as the System has elected to reflect changes in the fair value of investments and assets whose use is limited, including both increases and decreases in value, in nonoperating gains or losses unless the income or loss is restricted by donor or law, in which case it is reported as an increase or decrease in net assets with donor restrictions.

Endowment, Investment and Spending Policies

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

The goal of the board designated funds is to support the System's future capital expenditures and other major program needs, and to generally increase the financial strength of the System. In addition to occasional capital expenditures, board designated funds are invested in a prudent manner with regard to preserving principal while providing reasonable returns.

The goal of the endowment funds is to provide a source of financial support to the System's patient care activities. The endowment funds are invested in a prudent manner with regard to preserving principal while providing reasonable returns. The System appropriates earnings from the endowment funds to offset the costs of patient care activities according to the intent of the donor. The System's spending policy sets the total amount of funds that will be released for annual use to be capped at a maximum spend rate of 7% of the total balance of donor restricted funds.

To satisfy its long-term rate-of-return objectives, the System relies on a total return strategy in which investment returns are achieved through both capital appreciation and current yield. The System targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term objective within prudent risk constraints.

SOUTHERN NEW HAMPSHIRE HEALTH SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended June 30, 2024 and 2023

2. Significant Accounting Policies (Continued)*Property, Plant and Equipment*

The investments in property, plant and equipment assets are stated at cost less accumulated depreciation. The System's policy is to capitalize expenditures for major improvements and charge maintenance and repairs currently for expenditures which do not extend the lives of the related assets. The provision for depreciation has been computed using the straight-line method at rates intended to amortize the cost of related assets over their estimated useful lives, which have generally been determined by reference to the recommendations of the American Hospital Association.

Leases

At the inception of an arrangement, the System determines whether the arrangement is, or contains, a lease based on the unique facts and circumstances present in the arrangement. A lease is a contract, or part of a contract, that conveys the right to control the use of identified property, plant, or equipment (an identified asset) for a period of time in exchange for consideration. The System determines if the contract conveys the right to control the use of an identified asset for a period of time. The System assesses throughout the period of use whether the System has both of the following: (1) the right to obtain substantially all of the economic benefits from use of the identified asset, and (2) the right to direct the use of the identified asset. This determination is reassessed if the terms of the contract are changed.

Leases are classified as operating or finance leases based on the terms of the lease agreement and certain characteristics of the identified asset. Leases with a term greater than one year are recognized on the balance sheet as right-of-use assets and lease obligations, as applicable.

The interest rate implicit in lease contracts is typically not readily determinable. As a result, the System has elected to utilize a risk-free rate as the rate to discount lease payments.

Lease liabilities are initially recorded based on the present value of lease payments over the expected remaining lease term. Lease payments are comprised of fixed and in-substance fixed contract consideration. The System has made a policy election not to separate lease components, non-lease components, and noncomponents. The right-of-use asset is based on the lease liability, adjusted for certain items such as lease prepayments or lease incentives received. Finance lease assets are amortized on a straight-line basis, with interest costs reported separately, over the lesser of the useful life of the leased asset or lease term. Operating lease expense is recognized on a straight-line basis. Variable lease payments are expensed as incurred.

The System assesses at the commencement of a lease any options to extend or terminate the lease agreement, and will include in the lease term any extensions or renewals which it determines it is reasonably certain to exercise. Assumptions made at the lease commencement date are re-evaluated upon the occurrence of certain events, including a lease modification. A lease modification results in a separate contract when the modification grants the lessee an additional right-of-use not included in the original lease and when lease payments increase commensurate with the standalone price for the additional right-of-use. When a lease modification results in a separate contract, it is accounted for in the same manner as a new lease.

SOUTHERN NEW HAMPSHIRE HEALTH SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended June 30, 2024 and 2023

2. Significant Accounting Policies (Continued)**Unamortized Financing Costs**

Expenses incurred in obtaining long-term financing are being amortized to interest expense using the straight-line method, which approximates the effective interest method, over the repayment period of the related debt obligation. Unamortized financing costs are presented as a reduction of long-term debt on the accompanying consolidated balance sheets.

Retirement and Deferred Compensation Plans

The Medical Center has a noncontributory defined benefit pension plan that prior to October 8, 2011 covered all qualified employees. The benefits were based on years of service and the employee's average monthly earnings during the period of employment. The Medical Center's policy is to contribute to the plan an amount which meets the funding standards required under the *Employee Retirement Income Security Act of 1974* (ERISA). See note 9.

The System also sponsors retirement savings plans (a 401(a) plan and a 403(b) plan) available to employees depending upon certain service requirements. Eligible employees can contribute up to 100% of their total salary to the plans, subject to Internal Revenue Service limitations. The System provides a tiered matching contribution up to the first 6% of the employee contribution. The System also has a discretionary employer core contribution with the level to be reviewed annually. Contributions to these plans made by the System and recorded as expense for the years ended June 30, 2024 and 2023 were \$7,927,449 and \$8,126,480, respectively.

The System sponsors deferred compensation plans for certain qualifying employees. The amounts ultimately due to the employees are to be paid upon the employees attaining certain criteria, including age. At June 30, 2024 and 2023, approximately \$46,522,000 and \$39,800,000, respectively, is reflected in both assets whose use is limited and in other long-term liabilities related to such agreements.

Employee Fringe Benefits

The System has an "earned time" plan. Under this plan, each employee "earns" paid leave for each period worked. These hours of paid leave may be used for vacations, holidays or illnesses. Hours earned but not used are vested with the employee, subject to certain limits, and are paid to the employee upon termination. The System accrues a liability for such paid leave as it is earned.

Professional and General Liability Contingencies

The System has been and is insured against professional and general liability contingencies under claims-made insurance policies. A claims-made policy provides specific coverage for claims made during the policy period. Effective July 1, 2023, the System changed coverage to higher retention limits for professional and general liability contingencies to \$2 million per occurrence and \$12 million per policy year. The System also maintains certain excess professional and general liability insurance policies to cover claims in excess of those retention levels. At June 30, 2024, there were no known professional and general liability claims outstanding for the System which, in the opinion of management, will be settled for amounts in excess of insurance coverage, nor were there any unasserted claims or incidents which required specific loss accruals. The System has established reserves to cover professional liability exposures for incurred but unpaid or unreported claims. The amounts of the reserves have been determined by actuarial consultants. The possibility exists, as a normal risk of doing business, that professional and general liability claims in excess of insurance coverage may be asserted against the System.

SOUTHERN NEW HAMPSHIRE HEALTH SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended June 30, 2024 and 2023

2. Significant Accounting Policies (Continued)

At June 30, 2024 and 2023, the System recorded a liability of approximately \$9,066,000 and \$11,163,000, respectively, related to estimated professional liability losses. At June 30, 2024, approximately \$824,000 is included in accounts payable and other accrued expenses and approximately \$8,242,000 is included in other liabilities on the 2024 consolidated balance sheet. At June 30, 2023, amounts are included in other liabilities on the 2023 consolidated balance sheet. At June 30, 2024 and 2023, the System also recorded a receivable of approximately \$3,290,000 and \$7,391,000, respectively, related to estimated recoveries under insurance coverage for recoveries of the potential losses which is included in other assets on the consolidated balance sheets.

The System is involved in litigation and regulatory reviews arising in the ordinary course of business. After consultation with legal counsel, management estimates that these matters will be resolved without material adverse effect on the System's financial position, results of operations or cash flows.

Fair Value of Financial Instruments

The fair value of financial instruments is determined by reference to various market data and other valuation techniques as appropriate. Financial instruments consist of cash and cash equivalents, investments, accounts receivable, assets whose use is limited, accounts payable and estimated third-party payor settlements.

The fair value of all financial instruments approximates their relative book value as these financial instruments have short-term maturities or are recorded at fair value. See note 13.

Risks and Uncertainties

On March 11, 2020, the World Health Organization declared the outbreak of coronavirus (COVID-19) a pandemic. The COVID-19 pandemic significantly affected employees, patients, systems, communities and business operations, as well as the U.S. economy and financial markets. Under the *Coronavirus Aid, Relief and Economic Security Act* (CARES Act), the System was able to defer payments of the employer portion of payroll tax incurred during the pandemic, allowing half of such payroll taxes to be deferred until December 2021 and the remaining half until December 2022. At June 30, 2022, the System had deferred balances of payroll taxes totaling \$3.1 million. Amounts were fully repaid during the year ended June 30, 2023.

During the fourth quarter of fiscal 2020, the System requested accelerated Medicare payments as provided for in the CARES Act, which allows for eligible health care facilities to request up to six months of advance Medicare payments for acute care hospitals or up to three months of advance Medicare payments for other health care providers. Since the declaration of the pandemic, the System had received approximately \$27.5 million from these accelerated Medicare payment requests. Recoupments totaling approximately \$21.9 million were made through fiscal 2022 and remaining amounts were repaid in full during the year ended June 30, 2023.

SOUTHERN NEW HAMPSHIRE HEALTH SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended June 30, 2024 and 2023

2. Significant Accounting Policies (Continued)

The System also received approximately \$1,997,000 and \$273,000 related to the *Federal Emergency Management Agency's* (FEMA) *Public Assistance* grant program during the years ended June 30, 2024 and 2023, respectively. These payments are accounted for as government grants and are not subject to repayment, provided the System is able to comply with the conditions of the funding, including demonstrating that the distributions received have been used for healthcare-related expenses attributable to COVID-19. If the System is unable to attest to or comply with current or future terms and conditions of the grant, the System's ability to retain some or all of the distributions may be impacted.

The System will continue to monitor compliance with the terms and conditions of the FEMA funds and other potential assistance programs and available grants, and the impact of the pandemic on revenues and expenses. If the System is unable to attest to or comply with current or future terms and conditions, the System's ability to retain some or all of the distributions received may be impacted.

Reclassifications

Certain 2023 amounts have been reclassified to permit comparison with the 2024 consolidated financial statements presentation format.

Subsequent Events

Events occurring after the consolidated balance sheet date are evaluated by management to determine whether such events should be recognized or disclosed in the consolidated financial statements. Management has evaluated subsequent events through October 22, 2024, which is the date the consolidated financial statements were available to be issued.

3. Patient Service Revenues

An estimated breakdown of patient service revenue recognized from these major payor sources, is as follows for the years ended June 30:

	<u>2024</u>	<u>2023</u>
Private payors (includes coinsurance and deductibles)	\$302,790,228	\$271,891,915
Medicaid	21,350,414	19,332,326
Medicare	130,177,131	106,550,591
Self-pay	<u>1,417,588</u>	<u>1,438,587</u>
	<u>\$455,735,361</u>	<u>\$399,213,419</u>

SOUTHERN NEW HAMPSHIRE HEALTH SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended June 30, 2024 and 2023

3. Patient Service Revenues (Continued)

The System maintains contracts with the Social Security Administration (Medicare) and the State of New Hampshire Department of Health and Human Services (Medicaid). The System is paid a prospectively determined fixed price for each Medicare and Medicaid inpatient acute care service depending on the type of illness or the patient diagnostic related group classification. Medicare's payment methodology for outpatient services is based upon a prospective standard rate for procedures performed or services rendered. Capital costs and certain Medicaid outpatient services are also reimbursed on a prospectively determined fixed price. The System receives payment for other Medicare and Medicaid inpatient and outpatient services on a reasonable cost basis which are settled with retroactive adjustments upon completion and audit of related cost reports. The percentage of patient service revenue earned from the Medicare and Medicaid programs was 29% and 5%, respectively, for the year ended June 30, 2024, and 27% and 5%, respectively, for the year ended June 30, 2023.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. The System believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoings. While no such regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action including fines, penalties, and exclusion from the Medicare and Medicaid programs. There is at least a reasonable possibility that recorded amounts could change by a material amount in the near term. Differences between amounts previously estimated and amounts subsequently determined to be recoverable or payable are included in patient service revenue in the year that such amounts become known. Such differences increased patient service revenue by approximately \$5,033,000 and \$2,891,000 for the years ended June 30, 2024 and 2023, respectively.

The System also maintains contracts with Anthem Health Plans of New Hampshire, managed care providers and various other payors which reimburse the System for services based on charges with varying discount levels.

The System does not pursue collection of amounts determined to qualify as charity care, therefore, they are not reported as revenues.

4. Concentration of Credit Risk

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

	<u>2024</u>	<u>2023</u>
Medicare	36%	38%
Medicaid	9	10
Private payors	40	39
Self-pay	<u>15</u>	<u>13</u>
	<u>100%</u>	<u>100%</u>

SOUTHERN NEW HAMPSHIRE HEALTH SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended June 30, 2024 and 2023

5. Investments and Assets Whose Use is Limited

Investments and assets whose use is limited, which are recorded at fair value are reported in the accompanying consolidated balance sheets as follows at June 30:

	<u>2024</u>	<u>2023</u>
Funds held by trustee	\$ 2,405,375	\$ 2,337,755
Investments	102,079,244	90,881,891
Employee benefit plans and other	46,521,741	39,799,753
Board designated and donor-restricted	<u>123,474,420</u>	<u>114,468,224</u>
	<u>\$274,480,780</u>	<u>\$247,487,623</u>

The composition of investments and assets whose use is limited at fair value is set forth in the following table at June 30:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 4,349,861	\$ 2,887,711
Fixed income securities	42,800,475	38,849,779
Marketable equity securities	74,908,156	68,331,889
Alternative investments measured at NAV	105,900,547	97,618,491
Employee benefit plans	<u>46,521,741</u>	<u>39,799,753</u>
	<u>\$274,480,780</u>	<u>\$247,487,623</u>

See note 13 for additional information with respect to fair values.

Investments, board designated and donor-restricted investments are comprised of the following at June 30:

	<u>2024</u>	<u>2023</u>
Investments	\$102,079,244	\$ 90,881,891
Board designated for capital, working capital and community service	118,417,055	109,545,900
Donor-restricted	<u>5,057,365</u>	<u>4,922,324</u>
	<u>\$225,553,664</u>	<u>\$205,350,115</u>

SOUTHERN NEW HAMPSHIRE HEALTH SYSTEM, INC.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

Years Ended June 30, 2024 and 2023

5. Investments and Assets Whose Use is Limited (Continued)

Unrestricted investment income and gains on investments are summarized as follows at June 30:

	<u>2024</u>	<u>2023</u>
Operating interest and dividend income	\$ 1,422,396	\$ 1,757,436
Other interest and dividend income, net	1,965,213	2,236,303
Net gains on investments	<u>22,026,208</u>	<u>9,229,973</u>
Nonoperating investment income	<u>23,991,421</u>	<u>11,466,276</u>
Total investment gain	<u>\$25,413,817</u>	<u>\$ 13,223,712</u>

All board designated and donor-restricted investment income and gains including unrealized gains are included as part of nonoperating gains, net in the accompanying consolidated statements of operations and changes in net assets.

6. Net Assets With Donor Restrictions

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

	<u>2024</u>	<u>2023</u>
Purpose restriction:		
Equipment and capital improvements	\$ 672,790	\$ 537,749
Education and scholarships	193,481	193,481
Designated for certain communities	325,397	325,397
Clark Fund – endoscopy and education	<u>1,500,184</u>	<u>1,500,184</u>
	2,691,852	2,556,811
Perpetual in nature:		
Investments, gains and income from which is donor restricted	<u>2,365,513</u>	<u>2,365,513</u>
Total net assets with donor restrictions	<u>\$5,057,365</u>	<u>\$4,922,324</u>

Net assets with donor restrictions are managed in accordance with donor intent and are invested in various portfolios.

SOUTHERN NEW HAMPSHIRE HEALTH SYSTEM, INC.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

Years Ended June 30, 2024 and 2023

7. Property, Plant and Equipment

A summary of property, plant and equipment follows at June 30:

	<u>2024</u>	<u>2023</u>
Land and land improvements	\$ 20,890,490	\$ 21,212,701
Buildings and fixed equipment	200,118,622	199,167,034
Major movable equipment and software	173,875,819	169,363,879
Construction and information technology projects in progress	<u>2,042,004</u>	<u>10,752,326</u>
	396,926,935	400,495,940
Less accumulated depreciation	<u>(267,191,186)</u>	<u>(261,593,233)</u>
	<u>\$ 129,735,749</u>	<u>\$ 138,902,707</u>

8. Long-Term Debt and Finance Lease Liabilities

Long-term debt and finance lease liabilities consist of the following at June 30:

	<u>2024</u>	<u>2023</u>
New Hampshire Health and Education Facilities Authority (the Authority):		
Series 2016 Revenue Bonds with interest ranging from 3.0% to 5.0% per year. Principal and sinking fund installments are required in amounts ranging from \$2,500,000 to \$4,270,000 through October 1, 2037	\$46,140,000	\$48,530,000
Unamortized original issue premium	2,310,779	2,620,750
2019 tax-exempt equipment lease financing with a fixed interest rate of 1.92% with required monthly principal payments ranging from \$203,366 to \$224,198 through August 30, 2029	13,245,529	15,660,725
Equipment lease financing with required monthly principal payments of \$5,833 through December 2026	280,000	280,000
Equipment lease financing with required monthly payments of \$34,428 through July 2025	<u>523,850</u>	<u>926,142</u>
	62,500,158	68,017,617
Less unamortized financing costs	<u>(260,575)</u>	<u>(298,101)</u>
Less current portion	<u>(5,347,794)</u>	<u>(5,184,372)</u>
	<u>\$56,891,789</u>	<u>\$62,535,144</u>

The Obligated Group for the Series 2016 bonds is comprised of the System and the Medical Center. However, the System has no revenues, expenses or net assets independent of the Medical Center or the Foundation.

SOUTHERN NEW HAMPSHIRE HEALTH SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended June 30, 2024 and 2023

8. Long-Term Debt and Finance Lease Liabilities (Continued)

No debt service reserve funds are required under the Series 2016 bonds so long as the Medical Center meets certain debt covenants. The funds held by the trustee are comprised of the following at June 30:

	<u>2024</u>	<u>2023</u>
Debt service principal fund – Series 2016	\$ 1,898,083	\$ 1,809,365
Debt service interest fund – Series 2016	<u>507,292</u>	<u>528,390</u>
Total funds held by trustee	<u>\$2,405,375</u>	<u>\$ 2,337,755</u>

The Medical Center's revenue bonds agreement with the Authority grants the Authority a security interest in the Medical Center's gross receipts. In addition, under the terms of the agreement, the Medical Center is required to meet certain covenant requirements. At June 30, 2024, the Medical Center was in compliance with these requirements.

Aggregate annual principal payments required under the bonds and equipment financing agreements for each of the five years ending June 30, 2025 - 2029 are approximately \$5,348,000, \$5,538,000, \$5,273,000, \$5,423,000, and \$5,588,000, respectively.

Interest paid on long-term debt totaled \$3,053,611 and \$2,670,515 for the years ended June 30, 2024 and 2023, respectively.

The System entered into a revolving line of credit agreement with a bank on May 1, 2020 for \$25,000,000. The line of credit is available through May 21, 2025, with the option to renew. The line of credit agreement bears interest at the greater of 1.45% or the Term Secured Overnight Financing Rate Daily Floating Rate (5.33% at June 30, 2024). An unused line of credit fee is equal to 0.15% per year. Outstanding borrowings totaled \$10,000,000 at June 30, 2024 and 2023.

9. Pension Plan

The following table presents a reconciliation of the beginning and ending balances of the Medical Center's defined benefit pension plan projected benefit obligation and the fair value of plan assets, and funded status of the plan at June 30:

	<u>2024</u>	<u>2023</u>
Changes in benefit obligations:		
Projected benefit obligation, beginning of year	\$(72,639,464)	\$(76,943,124)
Service cost	(238,174)	(123,126)
Interest cost	(3,653,175)	(3,457,418)
Benefits paid	7,964,885	4,191,888
Actuarial gain	<u>1,686,097</u>	<u>3,692,316</u>
Projected benefit obligations, end of year	<u>\$(66,879,831)</u>	<u>\$(72,639,464)</u>

SOUTHERN NEW HAMPSHIRE HEALTH SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended June 30, 2024 and 2023

9. Pension Plan (Continued)

	<u>2024</u>	<u>2023</u>
Changes in plan assets:		
Fair value of plan assets, beginning of year	\$ 65,418,137	\$ 69,905,799
Actual gain (loss) on plan assets	1,392,428	(295,774)
Employer contributions	201,879	—
Benefits paid	<u>(7,964,885)</u>	<u>(4,191,888)</u>
Fair value of plan assets, end of year	<u>\$ 59,047,559</u>	<u>\$ 65,418,137</u>
Funded status of the plan	<u>\$ (7,832,272)</u>	<u>\$ (7,221,327)</u>
Net accrued liability	<u>\$ (7,832,272)</u>	<u>\$ (7,221,327)</u>

Amounts recognized as pension adjustments in net assets without donor restrictions consist of the following at June 30:

	<u>2024</u>	<u>2023</u>
Net actuarial loss	<u>\$31,874,348</u>	<u>\$32,625,721</u>

The accumulated benefit obligation as of the plan's measurement date of June 30, 2024 and 2023, was \$66,879,831 and \$72,639,464, respectively.

The weighted-average assumptions used to determine the pension benefit obligation are as follows at June 30:

	<u>2024</u>	<u>2023</u>
Discount rate	5.46%	5.21%

Pension Plan Asset Fair Value Measurements

The fair values of the System's pension plan assets as of June 30, 2024 and 2023, by asset category, are as follows (see note 13 for level definitions):

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>2024</u>				
Money market	\$ 1,223,360	\$ —	\$ —	\$ 1,223,360
Large cap equity	<u>—</u>	<u>4,403,522</u>	<u>—</u>	<u>4,403,522</u>
	<u>\$ 1,223,360</u>	<u>\$ 4,403,522</u>	<u>\$ —</u>	5,626,882
Investments measured at net asset value				<u>53,420,677</u>
				<u>\$59,047,559</u>

SOUTHERN NEW HAMPSHIRE HEALTH SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended June 30, 2024 and 2023

9. Pension Plan (Continued)

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>2023</u>				
Money market	\$ 574,298	\$ –	\$ –	\$ 574,298
International equity	–	1,126,159	–	1,126,159
Large cap equity	–	8,737,815	–	8,737,815
Mid cap equity	<u>–</u>	<u>2,320,921</u>	<u>–</u>	<u>2,320,921</u>
	<u>\$ 574,298</u>	<u>\$12,184,895</u>	<u>\$ –</u>	12,759,193
Investments measured at net asset value				<u>52,658,944</u>
				<u>\$65,418,137</u>

Net periodic pension loss includes the following components for the years ended June 30:

	<u>2024</u>	<u>2023</u>
Administrative cost	\$ 238,174	\$ 123,126
Interest cost on projected benefit obligation	3,653,175	3,457,418
Expected return on plan assets	(3,333,572)	(3,602,099)
Recognized loss	<u>1,006,420</u>	<u>993,006</u>
Total loss	<u>\$ 1,564,197</u>	<u>\$ 971,451</u>

The weighted-average assumptions used to determine net periodic benefit cost are as follows for the years ended June 30:

	<u>2024</u>	<u>2023</u>
Discount rate	5.21%	4.61%
Expected long-term rate of return on plan assets	5.30%	5.30%

Other changes in plan assets and benefit obligations recognized in adjustments to net assets without donor restrictions are as follows for the years ended June 30:

	<u>2024</u>	<u>2023</u>
Net gain	<u>\$(509,918)</u>	<u>\$(787,449)</u>
Total recognized adjustment to net assets without donor restrictions	<u>\$(509,918)</u>	<u>\$(787,449)</u>

The estimated net loss for the defined benefit pension plan that will be amortized from net assets without donor restrictions into net periodic benefit cost over the next fiscal year is \$972,447.

SOUTHERN NEW HAMPSHIRE HEALTH SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended June 30, 2024 and 2023

9. Pension Plan (Continued)

Plan Amendments

On August 15, 2011, the Board of Directors of the System resolved to freeze the defined benefit pension plan effective October 8, 2011. Any employee who was a participant of the plan on that date will continue as a participant. No other person will become a participant after that date. Benefits to participants also stopped accruing on October 8, 2011. This amendment impacted the present value of accumulated plan benefits by eliminating the increase due to annual benefit accruals. Also effective October 8, 2011, the System provides qualifying employees with an additional 2% contribution under its existing defined contribution plan to supplement their retirement benefits.

Plan Assets

The primary investment objective of the Medical Center's retirement plan is to provide pension benefits for its members and their beneficiaries by ensuring a sufficient pool of assets to meet the plan's current and future benefit obligations. These funds are managed as permanent funds with disciplined longer-term investment objectives and strategies designed to meet cash flow requirements of the plan. Funds are managed in accordance with ERISA and all other regulatory requirements.

Management of the assets is designed to maximize total return while preserving the capital values of the fund, protecting the fund from inflation, and providing liquidity as needed for plan benefits. The objective is to provide a rate of return that meets inflation, plus 5.5%, over a long-term horizon.

The Plan aims to diversify its holdings among sectors, industries and companies. No more than 10% of the plan's portfolio, excluding U.S. Government obligations and cash, may be held in an individual company's stock or bonds.

A periodic review is performed of the pension plan's investment in various asset classes. The current asset allocation target is 50% to 70% equities, 30% to 50% fixed income, and 0% to 5% cash and other.

The Medical Center's pension plan weighted-average asset allocation by asset category is as follows at June 30:

	<u>2024</u>	<u>2023</u>
Marketable equity securities	10%	20%
Investments measured at net asset value	<u>90</u>	<u>80</u>
	<u>100%</u>	<u>100%</u>

Contributions

The Medical Center expects to voluntarily contribute \$1,700,000 to its pension plan in 2025. There is no minimum required contribution for 2025.

SOUTHERN NEW HAMPSHIRE HEALTH SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended June 30, 2024 and 2023

9. Pension Plan (Continued)

Estimated Future Benefit Payments

The following benefit payments are expected to be paid as follows for the years ended June 30:

2025	\$ 4,281,069
2026	4,348,655
2027	4,490,439
2028	4,615,978
2029	4,750,571
Years 2030 – 2034	24,569,491

10. Functional Expenses

The Medical Center and the Foundation provide general health care services to residents within their geographic location. Expenses related to providing these services are as follows for years ended June 30:

	<u>Health Services</u>	<u>General and Administrative</u>	<u>Total</u>
<u>2024</u>			
Salaries and wages	\$207,100,929	\$ 12,245,210	\$219,346,139
Employee benefits	41,931,603	2,497,900	44,429,503
Supplies and other	124,850,217	60,120,066	184,970,283
Interest	2,252,590	777,121	3,029,711
Provider tax	15,245,170	–	15,245,170
Depreciation	<u>12,576,470</u>	<u>4,231,800</u>	<u>16,808,270</u>
	<u>\$403,956,979</u>	<u>\$ 79,872,097</u>	<u>\$483,829,076</u>
<u>2023</u>			
Salaries and wages	\$203,416,099	\$ 8,899,285	\$212,315,384
Employee benefits	35,203,176	1,489,842	36,693,018
Supplies and other	115,210,803	47,149,402	162,360,205
Interest	1,968,465	679,100	2,647,565
Provider tax	13,348,555	–	13,348,555
Depreciation	<u>13,046,314</u>	<u>4,349,961</u>	<u>17,396,275</u>
	<u>\$382,193,412</u>	<u>\$ 62,567,590</u>	<u>\$444,761,002</u>

SOUTHERN NEW HAMPSHIRE HEALTH SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended June 30, 2024 and 2023

10. Functional Expenses (Continued)

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

11. Leases

The System leases various office space under operating leases, as well as equipment under finance leases. Leases are classified as either operating or finance in accordance with Accounting Standards Codification (ASC) 842. The System has elected not to separate fixed or in-substance fixed payments for maintenance, repairs, property taxes and insurance from lease consideration in its determination of right-of-use assets or lease liabilities. However, when such costs are variable based on actual costs incurred during each applicable period, they are excluded from the determination of the right-of-use asset and lease liability and expensed during the period as variable lease costs. Variable lease cost also includes escalating rent payments that are not fixed at commencement but are based on an index that is determined in future periods over the lease term. Certain leases contain options to extend the lease term at the System's option, with only those that are reasonably certain to be exercised included in the determination of the lease term at inception.

At June 30, 2024 and 2023, finance lease right-of-use assets of \$15,069,058 and \$17,569,058 respectively (net of accumulated amortization of \$13,230,942 and \$10,730,942), respectively, are reported on the System's consolidated balance sheet within property, plant, and equipment, net. The System's lease liabilities are reported on the consolidated balance sheet as obligations under leases according to their related lease classification.

The components of operating and finance lease costs were as follows for the years ended June 30:

<u>Description</u>	<u>Consolidated Statement of Operations Classification</u>	<u>2024</u>	<u>2023</u>
Operating lease expense	Supplies and other expenses	\$1,483,246	\$1,279,237
Variable lease costs	Supplies and other expenses	34,700	86,922
Finance lease costs:			
Amortization of right-of-use assets	Depreciation expense	2,500,000	\$2,500,000
Interest on lease liabilities	Interest expense	290,323	342,402

SOUTHERN NEW HAMPSHIRE HEALTH SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended June 30, 2024 and 2023

11. Leases (Continued)

The weighted-average lease terms and discount rates for operating and finance leases are as follows for the years ended June 30:

	<u>2024</u>	<u>2023</u>
Weighted average remaining lease term:		
Operating leases	16.28 years	16.99 years
Finance leases	4.96 years	5.90 years
Weighted average discount rate:		
Operating leases	3.24%	3.13%
Finance leases	1.92%	1.92%

Supplemental cash flow and other information related to leases is as follows as of and for the years ended June 30:

	<u>2024</u>	<u>2023</u>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases (fixed payments)	\$1,517,946	\$1,366,159
Operating cash flows from finance leases (interest payments)	290,323	342,202
Financing cash flows from finance leases (liability reduction)	2,817,488	2,763,755
Right-of-use assets obtained in exchange for lease obligations:		
Operating lease	\$1,321,877	\$ —

Commitments relating to noncancelable operating and finance lease obligations for each of the next five fiscal years after June 30, 2024, and the years thereafter, are as follows:

	<u>Operating Leases</u>	<u>Finance Leases</u>
2025	\$ 1,509,961	\$ 3,257,745
2026	1,493,568	2,942,183
2027	1,403,206	2,694,672
2028	1,294,966	2,694,672
2029	1,115,480	2,694,672
Thereafter	<u>11,155,387</u>	<u>448,037</u>
Total future minimum payments	17,972,568	14,731,981
Less imputed interest	<u>(4,068,074)</u>	<u>(682,602)</u>
Total liabilities	13,904,494	14,049,379
Less current portion	<u>(1,509,961)</u>	<u>(2,847,794)</u>
Long-term liabilities	<u>\$12,394,533</u>	<u>\$11,201,585</u>

SOUTHERN NEW HAMPSHIRE HEALTH SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended June 30, 2024 and 2023

12. Community Benefits (Unaudited)

In accordance with its mission, the System provides substantial benefits to the southern New Hampshire region. The following community benefits were provided by the System for the years ended June 30:

	<u>Community Benefit Costs</u>	<u>Offsetting Revenues</u>	<u>Net Community Benefit Expense</u>
<u>2024</u>			
Charity care (see note 3)	\$ 9,459,453	\$ —	\$ 9,459,453
Uncompensated care	8,244,020	—	8,244,020
Subsidized care	262,846,073	176,656,166	86,189,907
Cash and in-kind contributions	<u>696,668</u>	<u>—</u>	<u>696,668</u>
Total	<u>\$281,246,214</u>	<u>\$176,656,166</u>	<u>\$104,590,048</u>
<u>2023</u>			
Charity care (see note 3)	\$ 2,986,723	\$ —	\$ 2,986,723
Uncompensated care	4,509,399	—	4,509,399
Subsidized care	238,500,259	141,524,241	96,976,018
Cash and in-kind contributions	<u>4,317,964</u>	<u>9,000</u>	<u>4,308,964</u>
Total	<u>\$250,314,345</u>	<u>\$141,533,241</u>	<u>\$108,781,104</u>

Charity care: The System provides care to patients who meet certain criteria under its board established charity care policy without charge or at amounts less than its established rates. The System does not pursue collection of amounts determined to qualify as charity care, therefore, they are not reported as revenues. The estimated costs of caring for charity care patients for the years ended June 30, 2024 and 2023 were approximately \$9.5 million and \$3.0 million, respectively.

Uncompensated care: The System provides care to patients without insurance, regardless of their ability to pay. Though the System attempts to assist all patients enrolling in available public assistance programs or qualification under its charity care policy, many patients either fail to comply with administrative requirements, or do not qualify. In these instances, the System attempts to collect for these services. However, the overwhelming majority of these accounts are ultimately uncollectible.

Subsidized care: The System provides services to patients enrolled in public service programs, i.e., Medicare and Medicaid, at rates substantially below cost.

Cash and in-kind contributions: The System supports various community initiatives including healthcare outreach, research and education. Other cash and in-kind contributions can be found in the community benefits report posted on the System's website.

SOUTHERN NEW HAMPSHIRE HEALTH SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended June 30, 2024 and 2023

13. Fair Value Measurements

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. In determining fair value, the System uses various methods including market, income and cost approaches. Based on these approaches, the System often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The System utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the System is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

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

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

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

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

For the years ended June 30, 2024 and 2023, the application of valuation techniques applied to similar assets and liabilities has been consistent. The following is a description of the valuation methodologies used:

Marketable Equity Securities

Marketable equity securities are valued based on stated market prices and at the net asset value of shares held by the System at year end, which results in classification as Level 1 or Level 2 within the fair value hierarchy.

SOUTHERN NEW HAMPSHIRE HEALTH SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended June 30, 2024 and 2023

13. Fair Value Measurements (Continued)*Fixed Income Securities*

The fair value for debt instruments is determined by using broker or dealer quotations, external pricing providers, or alternative pricing sources with reasonable levels of price transparency. The System holds U.S. governmental and federal agency debt instruments, municipal bonds, corporate bonds, and foreign bonds which are classified as Level 1 or Level 2 within the fair value hierarchy.

Employee Benefit Plans

Underlying plan investments within these funds are stated at quoted market prices. These investments are generally classified as Level 1 within the fair value hierarchy.

Alternative Investments Measured at NAV

The System invests in certain alternative investments that include limited partnership interests in investment funds, which, in turn, invest in diversified portfolios predominantly comprised of equity and fixed income securities, as well as options, futures contracts, and some other less liquid investments. Management has approved procedures pursuant to the methods in which the System values these investments at fair value, which ordinarily will be the amount equal to the pro-rata interest in the net assets of the limited partnership, as such value is supplied by, or on behalf of, each investment from time to time, usually monthly and/or quarterly by the investment manager. These investments are classified at net asset value.

System management is responsible for the fair value measurements of alternative investments reported in the consolidated financial statements. Such amounts are generally determined using audited financial statements of the funds and/or recently settled transactions. Because of inherent uncertainty of valuation of certain alternative investments, the estimate of the fund manager or general partner may differ from actual values, and differences could be significant. Management believes that reported fair values of its alternative investments at the consolidated balance sheet dates are reasonable.

SOUTHERN NEW HAMPSHIRE HEALTH SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended June 30, 2024 and 2023

13. Fair Value Measurements (Continued)*Fair Value on a Recurring Basis*

The following presents the balances of assets (funds held by trustee, investments and assets whose use is limited) measured at fair value on a recurring basis at June 30:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<u>2024</u>				
Cash and cash equivalents	\$ 4,349,861	\$ 4,349,861	\$ —	\$ —
Marketable equity securities:				
Large cap	50,720,976	—	50,720,976	—
Mid cap	15,458,622	—	15,458,622	—
International	8,728,558	—	8,728,558	—
Fixed income securities:				
U.S. Government obligations	31,790,791	—	31,790,791	—
Foreign bonds	11,009,684	—	11,009,684	—
Employee benefit plans	<u>46,521,741</u>	<u>46,521,741</u>	<u>—</u>	<u>—</u>
Investments, funds held by trustee and assets whose use is limited	168,580,233	<u>\$50,871,602</u>	<u>117,708,631</u>	<u>\$ —</u>
Marketable alternative investments measured at NAV	98,764,979			
Nonmarketable alternative investments measured at NAV	<u>7,135,568</u>			
Total assets	<u>\$274,480,780</u>			
<u>2023</u>				
Cash and cash equivalents	\$ 2,887,711	\$ 2,887,711	\$ —	\$ —
Marketable equity securities:				
Large cap	44,800,186	—	44,800,186	—
Mid cap	16,672,225	—	16,672,225	—
International	6,859,478	—	6,859,478	—
Fixed income securities:				
U.S. Government obligations	29,025,311	—	29,025,311	—
Foreign bonds	9,824,468	—	9,824,468	—
Employee benefit plans	<u>39,799,753</u>	<u>39,799,753</u>	<u>—</u>	<u>—</u>
Investments, funds held by trustee and assets whose use is limited	149,869,132	<u>\$42,687,464</u>	<u>\$ 107,181,668</u>	<u>\$ —</u>
Marketable alternative investments measured at NAV	92,505,018			
Nonmarketable alternative investments measured at NAV	<u>5,113,473</u>			
Total assets	<u>\$247,487,623</u>			

SOUTHERN NEW HAMPSHIRE HEALTH SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended June 30, 2024 and 2023

13. Fair Value Measurements (Continued)

The alternative investments measured at NAV consist of interests in ten funds at both June 30, 2024 and 2023.

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

Net Assets Value Per Share

In accordance with ASU 2009-12, *Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*, the table below sets forth additional disclosures for alternative investments valued based on net asset value to further demonstrate the nature and risk of the investments by category at June 30, 2024:

<u>Investment</u>	<u>Net Asset Value</u>	<u>Unfunded Commitment</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Emerging Equity Fund	\$ 8,351,274	\$ –	Monthly	16 business days
Fixed Income Fund	18,282,784	–	Daily	5 business days
Fixed Income Fund	10,028,315	–	Daily	15 business days
International Equity Fund	8,549,692	–	Daily	2 business days
Fixed Income Fund	9,886,445	–	Daily	1 business day
International Equity Fund	14,818,325	–	Weekly	4 business days
Global Equity Fund	14,392,108	–	End of month, semi-monthly	6 business days
Emerging Equity Fund	8,493,739	–	Monthly	5 business days
International Equity Fund	7,237,238	–	Monthly	35 business days
Multi-strategy Hedge Fund	5,860,627	–	Monthly	10 business days

Investment StrategiesMarketable Equity Securities

The primary purpose of equity investments is to provide appreciation of principal and growth of income with the recognition that this requires the assumption of greater market volatility and risk of loss. The total equity portion of the portfolio will be broadly diversified according to economic sector, industry, number of holdings and other characteristics including style and capitalization. The System may employ multiple equity investment managers, each of whom may have distinct investment styles. Accordingly, while each manager's portfolio may not be fully diversified, it is expected that the combined equity portfolio will be broadly diversified.

SOUTHERN NEW HAMPSHIRE HEALTH SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended June 30, 2024 and 2023

13. Fair Value Measurements (Continued)Fixed Income Securities (Debt Instruments)

The primary purpose of fixed income investments is to provide a highly predictable and dependable source of income, preserve capital, and reduce the volatility of the total portfolio and hedge against the risk of deflation or protracted economic contraction.

Marketable Alternative Investments Measured at NAV

The role of marketable alternative (MALT) investments, often referred to as "hedge funds," is to increase portfolio diversification through offering sources of return that are not generally correlated with traditional equity and fixed income markets. Also, MALT investments provide relatively consistent returns and principal protection in significantly down equity markets, while reducing overall volatility of the portfolio. Investments in the MALT program may take the form of direct investment in a single manager or fund-of-funds manager. MALT managers may engage in the use of derivatives (options/futures/forwards) as part of their investment strategy. MALT investments are generally less liquid than their traditional equity counterparts as most MALT managers have entry/exit terms and capital lockup periods that range from monthly to two years.

Nonmarketable Alternative Investments Measured at NAV

The purpose of "alternative" assets such as, but not limited to, venture capital, private equity, and distressed securities investments is to provide increased return potential and to reduce overall volatility of the fund through greater diversification. These investments can be made either in the form of direct investment, partnerships, fund-of-funds or with an investment manager. These assets are less liquid and require a longer investment horizon. Most require a multi-year commitment of capital.

Fair Value of Other Financial Instruments

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

Cash and cash equivalents: The carrying amounts reported in the accompanying consolidated balance sheets for these financial instruments approximate their fair values.

Accounts receivable and accounts payable: The carrying amounts reported in the accompanying consolidated balance sheets approximate their respective fair values due to the short maturities of these instruments.

Long-term debt: The fair value of the notes payable and long-term debt was calculated based upon discounted cash flows through maturity based on market rates currently available for borrowing with similar maturities.

SOUTHERN NEW HAMPSHIRE HEALTH SYSTEM, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended June 30, 2024 and 2023

14. Medicaid Enhancement Tax and Medicaid Disproportionate Share

Under the State of New Hampshire's (the State) tax code, the State imposes a Medicaid Enhancement Tax (MET) equal to 5.4% of the Medical Center's net patient service revenues in State fiscal years 2024 and 2023, with certain exclusions. The amount of the tax provided by the Medical Center for the years ended June 30, 2024 and 2023 was \$15,245,170 and \$13,348,555, respectively.

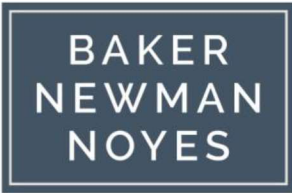
The State provides disproportionate share payments (DSH) to hospitals based on a set percentage of uncompensated care provided. The Medical Center received DSH interim funding of \$14,268,193 and \$16,701,192 during the years ended June 30, 2024 and 2023, respectively. Reserves on these receipts were established for \$1,426,819 and \$2,505,179 at June 30, 2024 and 2023, respectively, as these payments are subject to the State DSH annual audit and potential redistributions.

15. Financial Assets and Liquidity Resources

Financial assets and liquidity resources available within one year for general expenditure, such as operating expenses, scheduled principal payments on debt, and capital construction costs not financed with debt, consisted of the following as of June 30, 2024:

Cash and cash equivalents	\$ 7,183,904
Accounts receivable	46,649,312
Funds held by trustee	<u>2,405,375</u>
	<u>\$56,238,591</u>

To manage liquidity, the System maintains sufficient cash and cash equivalent balances to support daily operations throughout the year. Cash and cash equivalents include bank deposits, money market funds, and other similar vehicles that generate a return on cash and provide daily liquidity to the System. In addition, the System has board-designated and long-term investments without donor restrictions that can be utilized to help fund both operational needs and/or capital projects. As of June 30, 2024, the balances in board-designated and long-term investments were \$118,417,055 and \$102,079,244, respectively.



**INDEPENDENT AUDITORS' REPORT
ON OTHER FINANCIAL INFORMATION**

Board of Trustees
Southern New Hampshire Health System, Inc.

We have audited the consolidated financial statements of Southern New Hampshire Health System, Inc. (the System) as of and for the years ended June 30, 2024 and 2023, and have issued our report thereon, which contains an unmodified opinion on those consolidated financial statements. See pages 1 and 2. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information is presented for purposes of additional analysis rather than to present the financial position and results of operations of the individual entities and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Baker Newman & Noyes LLC

Manchester, New Hampshire
October 22, 2024

SOUTHERN NEW HAMPSHIRE HEALTH SYSTEM, INC.

CONSOLIDATING BALANCE SHEETS

June 30, 2024 and 2023

ASSETS

	2024					2023				
	Consolidated	Southern New Hampshire Medical Center and Affiliate	Foundation Medical Partners, Inc.	Legacy Trust of Southern New Hampshire Health, Inc.	Elimination Entries	Consolidated	Elimination Entries	Southern New Hampshire Medical Center and Affiliate	Foundation Medical Partners, Inc.	Legacy Trust of Southern New Hampshire Health, Inc.
Current assets:										
Cash and cash equivalents	\$ 7,183,904	\$ 7,049,676	\$ —	\$ 134,228	\$ —	\$ 3,396,018	\$ —	\$ 3,330,154	\$ —	\$ 65,864
Accounts receivable	46,649,312	38,469,419	8,179,893	—	—	41,532,533	—	32,903,045	8,629,488	—
Inventories	8,539,846	8,008,720	531,126	—	—	9,278,600	—	8,766,818	511,782	—
Amounts due from SolutionHealth, Inc.	—	—	—	—	—	645,310	—	645,310	—	—
Prepaid expenses and other current assets	5,097,996	2,803,549	2,696,633	325	(402,511)	3,973,625	(307,513)	2,238,313	2,042,825	—
Funds held by trustee	2,405,375	2,405,375	—	—	—	2,337,755	—	2,337,755	—	—
Total current assets	69,876,433	58,736,739	11,407,652	134,553	(402,511)	61,163,841	(307,513)	50,221,395	11,184,095	65,864
Investments	102,079,244	102,079,244	—	—	—	90,881,891	—	90,881,891	—	—
Assets whose use is limited:										
Employee benefit plans and other	46,521,741	4,718,793	41,802,948	—	—	39,799,753	—	3,708,750	36,091,003	—
Board designated and donor-restricted	123,474,420	123,474,420	—	—	—	114,468,224	—	114,468,224	—	—
Property, plant and equipment, net	169,996,161	128,193,213	41,802,948	—	—	154,267,977	—	118,176,974	36,091,003	—
Operating lease right-of-use assets, net	129,735,749	124,396,697	5,394,457	—	(55,405)	138,902,707	(64,270)	133,792,349	5,174,628	—
Other assets	13,904,494	9,444,819	4,459,675	—	—	12,507,792	—	7,868,224	4,639,568	—
	6,648,613	9,170,322	3,636	—	—	10,685,471	(2,923,855)	13,550,891	58,435	—
Total assets	\$492,240,694	\$432,021,034	\$63,068,368	\$134,553	\$(2,983,261)	\$468,409,679	\$(3,295,638)	\$414,491,724	\$57,147,729	\$ 65,864

LIABILITIES AND NET ASSETS

	2024					2023				
	Consol- idated	Elimi- nation Entries	Southern New Hampshire Medical Center and Affiliate	Foundation Medical Partners, Inc.	Legacy Trust of Southern New Hampshire Health, Inc.	Consol- idated	Elimi- nation Entries	Southern New Hampshire Medical Center and Affiliate	Foundation Medical Partners, Inc.	Legacy Trust of Southern New Hampshire Health, Inc.
Current liabilities:										
Accounts payable and other accrued expenses	\$ 21,435,521	\$ -	\$ 16,672,723	\$ 4,757,861	\$ 4,937	\$ 25,073,939	\$ 80,804	\$ 18,842,096	\$ 6,150,664	\$ 375
Accrued compensation and related taxes	26,401,687	-	15,889,845	10,511,842	-	22,862,663	-	15,110,713	7,751,950	-
Accrued interest payable	497,860	-	497,860	-	-	521,760	-	521,760	-	-
Accounts due to affiliates	352,847	-	314,304	30,833	7,710	514,108	-	275,077	239,031	-
Amounts due to SolutionHealth, Inc.	10,374,625	-	10,438,142	(63,517)	-	5,085,498	-	5,085,498	-	-
Amounts payable to third-party payors	14,730,822	-	14,730,822	-	-	18,506,276	-	18,506,276	-	-
Current portion of operating lease liabilities	1,509,961	-	934,850	575,111	-	1,379,122	-	746,931	632,191	-
Current portion of long-term debt and finance lease liabilities	5,347,794	-	5,347,794	-	-	5,184,372	-	5,184,372	-	-
Borrowings under line of credit agreement	10,000,000	-	10,000,000	-	-	10,000,000	-	10,000,000	-	-
Total current liabilities	90,651,117	-	74,826,340	15,812,130	12,647	89,127,738	80,804	74,272,723	14,773,836	375
Other liabilities	62,806,387	(2,983,261)	18,540,889	47,248,759	-	58,204,213	(3,376,442)	20,850,971	40,729,684	-
Operating lease liabilities, less current portion	12,394,533	-	8,509,969	3,884,564	-	11,128,670	-	7,121,293	4,007,377	-
Long-term debt and finance lease liabilities, less current portion and net of unamortized financing costs	56,891,789	-	56,891,789	-	-	62,535,144	-	62,535,144	-	-
Net assets:										
Without donor restrictions	264,439,503	-	268,338,365	(3,877,085)	(21,777)	242,491,590	-	244,864,085	(2,363,168)	(9,327)
With donor restrictions	5,057,365	-	4,913,682	-	143,683	4,922,324	-	4,847,508	-	74,816
Total liabilities and net assets	\$492,240,694	\$ (2,983,261)	\$432,021,034	\$63,068,368	\$134,553	\$468,409,679	\$ (3,295,638)	\$414,491,724	\$57,147,729	\$ 65,864

SOUTHERN NEW HAMPSHIRE HEALTH SYSTEM, INC.

CONSOLIDATING STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS

Years Ended June 30, 2024 and 2023

	2024				2023					
	Consolidated	Elimination Entries	Southern New Hampshire Medical Center and Affiliate	Foundation Medical Partners, Inc.	Legacy Trust of Southern New Hampshire Health, Inc.	Consolidated	Elimination Entries	Southern New Hampshire Medical Center and Affiliate	Foundation Medical Partners, Inc.	Legacy Trust of Southern New Hampshire Health, Inc.
Operating revenue:										
Patient service revenue	\$455,735,361	\$ (3,456,130)	\$350,416,105	\$108,775,386	\$	\$ (3,809,947)	\$295,079,246	\$107,944,120	\$	\$
Disproportionate share hospital revenue	19,476,807	-	19,476,807	-	-	-	15,264,195	-	-	-
Interest and dividends	1,422,396	-	1,422,396	-	-	-	1,757,436	-	-	-
Other revenue	13,808,494	(14,650,156)	9,626,097	18,832,553	-	(13,531,674)	7,502,857	17,367,806	-	-
Net assets released from restriction for operations	36,380	-	36,380	-	-	-	-	-	-	-
Total operating revenue	490,479,438	(18,106,286)	380,977,785	127,607,939	-	(17,341,621)	319,603,734	125,311,926	-	-
Operating expenses:										
Salaries and wages	219,346,139	(27,450)	111,708,097	107,665,492	-	(40,800)	109,439,531	102,916,653	-	-
Employee benefits	44,429,503	(3,456,130)	25,907,598	21,978,035	-	(4,121,728)	20,776,947	20,037,799	-	-
Supplies and other expenses	184,970,283	(14,466,678)	161,937,624	37,454,533	44,804	(12,941,388)	134,391,038	40,899,864	10,691	10,691
Depreciation	16,808,270	-	16,126,378	681,892	-	-	16,554,920	841,355	-	-
New Hampshire Medicaid enhancement tax	15,245,170	-	15,245,170	-	-	-	13,348,555	-	-	-
Interest	3,029,711	(156,028)	2,978,912	206,827	-	(237,705)	2,651,070	234,200	-	-
Total operating expenses	483,829,076	(18,106,286)	333,903,779	167,986,779	44,804	(17,341,621)	297,162,061	164,929,871	10,691	(10,691)
Income (loss) from operations	6,650,362	-	47,074,006	(40,378,840)	(44,804)	(17,186,963)	22,441,673	(39,617,945)	-	-
Nonoperating gains (losses):										
Investment income	23,991,421	-	23,991,421	-	-	-	11,466,276	-	-	-
Contributions, nonoperating revenues and other net (losses) gains	(199,591)	-	(231,945)	-	32,354	(418)	(569)	-	-	151
Net periodic pension loss	(1,564,197)	-	(1,564,197)	-	-	(971,451)	(971,451)	-	-	-
Total nonoperating gains, net	22,227,633	-	22,195,279	-	32,354	(10,494,407)	10,494,256	-	-	151
Excess (deficiency) of revenues and non-operating gains over expenses	28,877,995	-	69,269,285	(40,378,840)	(12,450)	(6,692,556)	32,935,929	(39,617,945)	-	(10,540)

SOUTHERN NEW HAMPSHIRE HEALTH SYSTEM, INC.

CONSOLIDATING STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS (CONTINUED)

Years Ended June 30, 2024 and 2023

	2024				2023			
	Elimination Entries	Southern New Hampshire Medical Center and Affiliate	Foundation Medical Partners, Inc.	Legacy Trust of Southern New Hampshire Health, Inc.	Elimination Entries	Southern New Hampshire Medical Center and Affiliate	Foundation Medical Partners, Inc.	Legacy Trust of Southern New Hampshire Health, Inc.
Transfers from (to) affiliates	\$ -	\$ (38,864,923)	\$ 38,864,923	\$ -	\$ -	\$ (40,508,774)	\$ 40,508,736	\$ 38
Transfers to SolutionHealth, Inc.	(7,500,000)	(7,500,000)	-	-	-	(11,285,430)	-	-
Pension adjustment	509,918	509,918	-	-	-	787,449	-	-
Net assets released from restriction for capital purchases	60,000	60,000	-	-	-	1,009,952	-	9,952
Increase (decrease) in net assets without donor restrictions	21,947,913	23,474,280	(1,513,917)	(12,450)	-	(17,070,826)	890,791	(550)
Contributions of net assets with donor restrictions	231,421	162,554	-	68,867	-	99,783	-	13,714
Net assets released from restriction for capital purchases	(60,000)	(60,000)	-	-	-	(1,009,952)	-	(9,952)
Net assets released from restriction for operations	(36,380)	(36,380)	-	-	-	-	-	-
Increase (decrease) in net assets with donor restrictions	135,041	66,174	-	68,867	-	(896,455)	-	3,762
Increase (decrease) in net assets	22,082,954	23,540,454	(1,513,917)	56,417	-	(17,971,043)	890,791	3,212
Net assets (deficit) at beginning of year	247,413,914	249,711,593	(2,363,168)	65,489	-	267,682,636	(3,253,959)	62,277
Net assets (deficit) at end of year	\$269,496,868	\$273,252,047	\$ (3,877,085)	\$121,906	\$ -	\$249,711,593	\$ (2,363,168)	\$65,489

COLIN T. MCHUGH

PRESIDENT & CHIEF EXECUTIVE OFFICER

CONTACT



EDUCATION

Master of Business
Administration (MBA)
University of New Hampshire

Master of Arts (MA)
The University of Connecticut

SKILLS

Executive Leadership
Team Building
Change Management
Financial Turnaround
Culture Development
Strategic Growth

BOARD EXPERIENCE

NH Hospital Association

Director

Foundation For Healthy Communities

Board Chair

Lamprey Health Care

Director

Greater Nashua Boys & Girls Club

Trustee

SUMMARY

Dynamic executive leader with 30+ years of industry experience and proven track record of driving sustainable financial and operational improvements. Skillfully led organization through complex regional health system dissolution and regulatory approval process. Expert knowledge of value-based care models and regional health system development.

PROFESSIONAL EXPERIENCE

President & Chief Executive Officer

Southern New Hampshire Health | 2022 - Present

- Serve as chief executive of local health system comprised of 2,700 employees, \$550M annual revenue, 188-bed Medical Center, and 350 provider medical group.
- Built high-functioning executive leadership team responsible for \$45M financial and operational turnaround following three consecutive years of operating losses.
- Achieved S&P Global Ratings affirmation of an "A- Stable" outlook and named as the #1 socially responsible hospital in New Hampshire by the Lown Institute.
- Led the rebuilding of \$60M in administrative support functions spanning Finance, Human Resources, Revenue Cycle Management, Supply Chain, and Marketing & Communications.
- Drove 20% surgical and procedural growth within two years and launched the construction of a new \$25M heart and vascular center.

Senior Vice President & Chief Value Officer

Interim President & CEO, Southern New Hampshire (2000)

SolutionHealth | 2019 - 2022

- Top population health and value-based care executive for regional health system with \$1.2B in annual revenue and 150K covered lives.
- Led \$400M local health system as interim president through COVID response, \$40M system-wide Epic implementation, and provider-sponsored health plan divestiture.
- Spearheaded development of healthcare analytics and population health data management strategy including software vendor selection, EMR integration, platform implementation, and cost/quality/utilization reporting.

Senior Vice President, Network Development & Contracting **Interim President & CEO, Synernet, Inc. (2016-2017)**

MaineHealth | 2014 – 2019

- Top network development and contracting executive for one of the nation's leading integrated healthcare delivery networks with \$3B in annual revenue and 250K covered lives.
- Led ACO contracting committee comprised of physician/administrative leaders responsible for strategy, evaluation, and approval of risk contracts resulting in 100% increase in attributed lives under value-based agreements.
- Executed a \$3M turnaround and restructuring of health care services subsidiary company as interim president resulting in \$2M final shareholder return and negotiated the transition of 95+% of impacted employees, and 400 customers to partner organizations.
- Spearheaded Maine Medical Center's successful acquisition of distressed 121-bed skilled nursing/long-term care facility (St. Joseph's Rehabilitation and Residence) and named vice-chair of newly formed board.
- Directed the sale of 175-employee medical transcription company including negotiation of asset purchase agreement with \$1.5B publicly traded company (Nuance Communications) and placement of impacted staff.
- Directed Maine Medical Center's 3-year participation in CMS' Bundled Payments for Care Improvement (BPCI) initiative for coronary bypass surgery resulting in reduced readmissions through the development of a "heart partner" skilled nursing facility network.

Vice President, Network Development & Contracting

Anthem Blue Cross Blue Shield | 2010 – 2014

- Top provider executive responsible for Maine market and ~\$1.6B health care budget. Responsible for provider contract negotiations, cost/utilization trends, payment innovation, consumer transparency initiatives, and overall provider network strategy.
- Spearheaded the development of Maine's first comprehensive ACO risk arrangement with market's largest health system including cost and quality targets, reporting/data sharing, and financial settlements.
- Executed Affordable Care Act (ACA) Exchange provider network strategy and secured regulatory approval of narrow hospital and physician network resulting in ~10% premium reduction.
- Led statewide implementation of value-based primary care program including payments for care coordination and improvements in total cost of care and quality performance.
- Expanded hospital quality improvement program resulting in 500% increase in number of hospitals linking reimbursement to quality performance (QHIP).

Kenneth Matsis, MBA

EXPERIENCE

Southern New Hampshire Health System, Nashua, NH

Senior Vice President / Chief Financial Officer – February 2025 to Present

Solutionhealth – Southern Division, Manchester, NH

Vice President of Finance – February 2023 – February 2025

Catholic Medical Center Healthcare System, Manchester, NH

Assistant Controller - October 2020 to February 2023

Direct the financial reporting, accounting, payroll and accounts payable functions of the System and all of its subsidiaries. Support the finance division in maintaining sound financial policies and internal controls. Prepare financial reports and metrics for entire management team and present on a monthly basis. Responsible for the yearly system budget along with subsidiaries. Directed all general accounting functions for Hospital and Physician Practices including general ledger maintenance, contractual allowances, annual financial audits, monthly variance analysis, payroll and accounts payable functions.

B.E. Smith - an AMN Healthcare Company

Interim Leadership - February 2020 – October 2020

Interim leader strategically placed with a B.E. Smith Client Organization based on my experience and specialty expertise. Assessed the operations while satisfying a management void within the organization. Conducted assessments, provided findings and coached personnel based on the goals of the Client (UHS Hospital System, Binghamton NY).

Concord Hospital, Inc., Concord, NH

Director of Accounting and Financial Reporting - September 2019 – January 2020

Produced monthly financial statements and internal accounting policies and procedures for Concord Hospital, Inc. and Affiliates. Directed all general accounting functions for Hospital and Physician Practices including general ledger maintenance, contractual allowances, annual financial audits, monthly variance analysis and accounts payable functions. Established new policies for physician payroll – additional moonlighting shifts and premium pay. Decreased prelim close timeline by two business days, to eight business days.

Southern New Hampshire Health System, Nashua, NH

Director of Accounting - February 2013 – September 2019

Produced monthly financial statements and internal accounting policies and procedures for Southern NH Medical Center. Managed teams responsible for accounting, payroll, and accounts payable for the System.

Home Health & Hospice Care, Merrimack NH



SKILLS

Personal: Team oriented, strong leadership skills, active contributor, problem solver, reliable, helpful, social, intelligent individual

Technical: Oracle Fusion Cloud, Kronos Workforce Central, Workday, Advanced Excel (pivot tables, vlookups, hlookups, sumifs, macros), PowerPoint

LEADERSHIP

Oracle Fusion Cloud Implementation

August 2017

Project Manager Finance – G/L conversion from Dos based system to ERP, created new chart of accounts, accounts payable workflows and financial reports.

Allscripts Healthcare Implementation

July 2005

Finance Team Lead – ERP Homecare/Hospice Clinical and Financial System – over 70 clinicians moved from paper to electronic workflow within six months of implementation.

Community Hospice House

December 2000

Co-Project Manager for the construction and facility management of a ten-bed inpatient hospice facility. Established new costing models, metrics and management tools to monitor financial success.

PROFESSIONAL DEVELOPMENT

Treasurer, VNA Health Systems of Northern New England

Consortium of six visiting nurse organizations throughout the region.

Facilitated Operations Day twice a year to illustrate Homecare and Hospice key operational benchmarks for programs well over \$50 million in service revenue.

Presenter: National Healthcare Conference 2005 – Allscripts Healthcare Systems Annual Conference and Expo

Home Health Financial Reporting Metrics

Responsible for the financial oversight, program strategic management and program budgeting for a non-profit health care organization specializing in Homecare and Hospice. Worked directly with the Board of Directors, Finance Committee, Investment Committee and Senior Management to build relationships and develop new programs. Increased net assets of the organization by over 50%, or \$5M, by developing new programs such as the Community Hospice House, Private Duty and Palliative Care. Upon completion of the new ERP system, reduced back office staff by 7 FTEs and improved accounts receivable from 100 to 55 days. Negotiated program funding worth \$500K each year, State of NH, City of Nashua and City of Manchester. Created the Community Hospice House Foundation, a 501c3 foundation worth over \$3M in assets.

EDUCATION

Master of Business Administration

Southern New Hampshire University - 2014

B.S. Management

Keene State College