

Due Diligence Request List - Overview of the Business

To the extent possible, please provide these requests in *Microsoft Excel* format. Except as stated in a specific request, please provide requested information as of FY17 and FY18, and the latest year-to-date (YTD) period for FY19. Note that this is a preliminary request list and additional items will be requested during the diligence process.

#	Subject	Date Requested	Date Answered	Request	Answer / Document Reference	Comments
O1	Overview	3/29/2019		Chart showing legal, organizational and ownership structure of the business, including geographic location of facilities and markets. Also, indicate any majority or minority interest that the Company holds in joint ventures, corporations, LLCs, etc., along with the names of the other entities which participate in such joint ventures, corporations, LLCs, etc. and evidence of the Company's ownership interest (in the form of Operating Agreements, joint venture agreements, and the like).		
O2	Overview	3/29/2019		Accountant's management letter or controls observation summary for FY17 and FY18.		
O3	Overview	3/29/2019		Summary of directors, officers and key employees of the Company including organizational charts.		
O4	Overview	3/29/2019		Summary of key historical developments of the Company (i.e. incorporation, change of ownership, acquisitions, divestitures, restructurings, etc.).		
O5	Overview	3/29/2019		Access to minutes of meetings of the Board of Directors, Finance Committee and Audit Committee occurring during FY17, FY18 and FY19 YTD.		
O6	Overview	3/29/2019		Description of any material hospital non-competition agreements, exclusivity agreements, rights of first refusal, or options granted to third parties for any material matters.		
O7	Overview	3/29/2019		Description of differences in accounting policies and procedures for interim versus year-end results.		
O8	Overview	3/29/2019		Overview of the accounting policies for recognizing contractual and bad debt allowances.		
O9	Overview	3/29/2019		Service area details / map by organization		

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Due Diligence Request List - Financial

To the extent possible, please provide these requests in **Microsoft Excel format**. Except as stated in a specific request, please provide requested information as of FY17 and FY18, and the latest year-to-date (YTD) period for FY19 for **Mary Hitchcock Memorial Hospital and Dartmouth-Hitchcock Clinic (except where noted)**. Note that this is a preliminary request list and additional items will be requested during the diligence process.

#	Subject	Date Requested	Date Answered	Request	Answer / Document Reference	Comments
F1	Financial	3/29/2019		Provide summary of any proposed and/or passed audit adjustments related to the previous two fiscal year end audits.		
F2	Financial	3/29/2019		Provide copies of all management letters, adjusting journal entries, and passed audit adjustments for the past two fiscal years.		
F3	Financial	3/29/2019		Provide copies of all monthly management reporting packages for FY17, FY18 and FY19 YTD.		
F4	Financial	3/29/2019		Provide a comprehensive set of accounting policies that are currently in place at the Hospital and any Affiliates		
F5	Financial	3/29/2019		Provide balance sheets, income statements, cash flow and capital expenditure forecasts, including key assumptions, for FY17, FY18 and FY19 YTD.		
F6	Financial	3/29/2019		Provide all internal audit reports for FY17, FY18 through FY19 YTD.		
F7	Financial	3/29/2019		Provide financial statements (income statement, balance sheet, and cash flow statement) at the trial balance level of detail on a monthly basis for FY17, FY18 through the latest year-to-date period FY19 in Excel format. Provide this data on a consolidated and an entity-level, if applicable. Include a mapping of trial balance accounts to financial statement classifications and bridges between trial balance and financial statements.		
F8	Financial	3/29/2019		Provide detailed consolidating financial statements for FY17 and FY18, and bridge to audited consolidated financial statements (ALL ENTITIES).		
F9	Financial	3/29/2019		Provide analysis of operating expenses for FY17, FY18 and FY19 YTD with each operating expense line split between related party (allocated) charges and directly incurred charges. Provide explanations for the services being provided within each line item by the related party, and other key information (e.g. headcount).		
F10	Financial	3/29/2019		If costs are allocated from a central location to each operating entity, please provide a description of the process of allocating costs and detail which costs are allocated in FY17, FY18 and FY19 YTD.		
F11	Financial	3/29/2019		Provide analysis of any other related parties transactions not addressed above (e.g. revenue or non-operating expenses) for FY17, FY18 and FY19 YTD with the nature of charges from related parties, the services being provided and the need for such services.		

#	Subject	Date Requested	Date Answered	Request	Answer / Document Reference	Comments
F12	Financial	3/29/2019		Provide key operating metrics including inpatient and outpatient patient visits, case-mix index, utilization, procedures performed, average length of stay, FTEs, and financial metrics (i.e. days cash on hand, days in accounts receivable and days in accounts payable) on a consolidated basis and for each operating entity by month for FY17, FY18 and FY19 YTD.		
F13	Financial	3/29/2019		Description of the amount and date of any significant out of period, non-recurring or pro forma items for FY17, FY18 and FY19 YTD, and comparative period in year-to-date FY17 and FY18, including, but not limited to (please also provide supporting documentation, i.e. Management adjustments): <ul style="list-style-type: none"> - Medicare cost report prior year settlements, as applicable - Restructuring expenses - HEAL Grants - EHR incentive payments - Severance payments - Stay pay/extraordinary bonus payments - One time revenue or expense items - Out of period revenue or expense items - Release of reserves or other balance sheet fluctuations. 		
F14	Financial	3/29/2019		A schedule of change in revenues by service line and payor class for FY17, FY18 and FY19 YTD, differentiated by changes in: (i) patient volumes; (ii) net revenue per volume metric; (iii) other pricing/reimbursement changes; and (iv) new or discontinued business or service offerings. Access to management to discuss and / or documentation regarding any significant or unusual changes during the past year.		
F15	Financial	3/29/2019		A schedule summarizing the components of gross to net patient revenue (contractual allowances, charity care, other revenue adjustments, etc.) for FY17, FY18 and FY19 YTD and the corresponding period for FY17 YTD and FY18 YTD.		
F16	Financial	3/29/2019		Provide a detailed analysis of net revenues and margins by major service area / group and by payor for FY17, FY18 and FY19 YTD and the corresponding period for FY17 and FY18 YTD.		
F17	Financial	3/29/2019		Please provide revenue (gross and net) and volume (census data) by facility by payor by line of service for FY17, FY18 and FY19 YTD (data should allow us to analyze monthly trends gross to net revenue by payor).		
F18	Financial	3/29/2019		Please reconcile this data to the financial statements for FY17, FY18 and FY19 YTD.		
F19	Financial	3/29/2019		Salaries: Please provide a schedule of salary & bonus by major employee category by entity for FY17, FY18 and FY19 YTD. To the extent not otherwise provided in the P&L detail above, provide a detailed schedule of non-operating income and expense items, by month, for FY17, FY18, and the most recent YTD period FY19.		

#	Subject	Date Requested	Date Answered	Request	Answer / Document Reference	Comments
F20	Financial	3/29/2019		Provide analysis of the top 20 suppliers of services and products, including the services or products supplied, amounts purchased in FY17, FY18 and FY19 YTD, purchase terms and outstanding commitments.		
F21	Financial	3/29/2019		For all outstanding debt (third party and intercompany) as of 6/30/17, 6/30/18, and latest month end FY19, please summarize the nature of the obligation, outstanding balances, amortization schedules, prepayment provisions, collateral, debt covenant compliance, and any related swap arrangements		
F22	Financial	3/29/2019		For all debt covenants, please provide the most recent submitted calculations		
F23	Financial	3/29/2019		Summary of any significant commitments and/or contingencies (i.e. purchase commitments, potential legal settlements, cost report settlements etc.) as of the most recent balance sheet date FY19.		
F24	Financial	3/29/2019		Provide a schedule of loans, notes and/or accounts receivable from officers, directors, and members of affiliated companies.		
F25	Financial	3/29/2019		Provide a P&E rollforward, by major fixed asset category, at 6/30/17, 6/30/18 and the latest month end FY19. Please delineate between owned and leased, and delineate between capital and operating leases.		
F26	Financial	3/29/2019		Provide a detailed listing of all capital expenditures in FY17, FY18 and FY19 YTD. Please delineate between growth capital spending (expansion, new equipment purchases, etc.) and maintenance capital spending (replacement of existing equipment, renovations, etc.). Provide capital spending budgets for FY17, FY18 and estimates of cost to complete ongoing projects for FY19, if available.		
F27	Financial	3/29/2019		Detail of AR reserve calculations (contractual allowances and bad debts) as 6/30/17, 6/30/18 and the latest month end FY19. Monthly allowance for contractual allowances and doubtful accounts roll forward for FY17 through the latest month available in FY19 detailing: - Beginning balance - Bad debt provision - Write-offs - Other adjustments - Ending balance		
F28	Financial	3/29/2019		Detail of other balance sheet accounts (if not provided through trial balance) including inventory, prepaid expenses, investments and other assets.		
F29	Financial	3/29/2019		Accounts payable aging by vendor as of 6/30/17, 6/30/18 and most recent month end FY19.		
F30	Financial	3/29/2019		Schedule detailing the components of accrued expenses (by major category) at 6/30/17, 6/30/18 and the most recent month end FY19.		
F31	Financial	3/29/2019		Analysis of temporarily and permanently restricted net assets		

#	Subject	Date Requested	Date Answered	Request	Answer / Document Reference	Comments
F32	Financial	3/29/2019		Copies of all strategic plans and other forward-looking studies prepared by management		
F33	Financial	3/29/2019		Analysis of temporarily and permanently restricted net assets		
F34	Financial	3/29/2019		Access to independent auditor workpapers for the most recent financial statement audit.		

Due Diligence Request List - Tax

To the extent possible, please provide these requests in **Microsoft Excel** format. Except as stated in a specific request, please provide requested information as of FY17 and FY18, and the latest year-to-date (YTD) period for FY19 for **Mary Hitchcock Memorial Hospital and Dartmouth-Hitchcock Clinic (except where noted)**. Note that this is a preliminary request list and additional items will be requested during the diligence process.

#	Subject	Date Requested	Date Answered	Request	Answer / Document Reference	Comments
T1	Tax	3/29/2019		Provide copies of all IRS Determination letters for tax-exempt entities		
T2	Tax	3/29/2019		Provide copies of Forms 990, 990-T, Form 4720 (if applicable) for past three (3) filing periods		
T3	Tax	3/29/2019		Provide copies all Forms 1120, 1065, 1041, and 1120-S for past three (3) filing periods		
T4	Tax	3/29/2019		Provide copies of all state tax returns and annual report filings for past three (3) filing periods		
T5	Tax	3/29/2019		Provide copies of any foreign disclosure filings, including but not limited to Forms 8621, 8865, 926, and 8886 for past three (3) filing periods		
T6	Tax	3/29/2019		Provide any information on any federal, state, or local tax audits or pending or threatened action.		
T7	Tax	3/29/2019		Provide copies of any federal, state, or local agent reports resulting from any of the above.		
T8	Tax	3/29/2019		Provide any information relevant to any uncertain tax positions		
T9	Tax	3/29/2019		Provide chart of accounts related to deferred tax assets or liabilities		
T10	Tax	3/29/2019		Provide copies of policies for determining independent contractor status		
T11	Tax	3/29/2019		Provide copies of payroll tax filings (i.e. Forms 940, 941, and state tax equivalents		
T12	Tax	3/29/2019		Provide listings of numbers of employees by state		
T13	Tax	3/29/2019		Provide copies of any recent payroll related notices, examinations, audits, and/or other related correspondence.		
T14	Tax	3/29/2019		Provide copies of non-qualified deferred compensation plan documents		
T15	Tax	3/29/2019		Provide copies of Form 5500 for the prior three (3) filing periods		
T16	Tax	3/29/2019		For qualified plans, provide copies of any reports related to discrimination testing and results of compliance		

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