See a Social Security Number? Say Something!
Report Privacy Problems to https://public.resource.org/privacy
Or call the IRS Identity Theft Hotline at 1-800-908-4490

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493135030962

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0047

2010

Open to Public Inspection

A For the 2010 calendar year, or tax year beginning 07-01-2010 and ending 06-30-2011

B Check if applicable
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Terminated
- ☐ Amended return
- ☐ Application pending

C Name of organization
CATHOLIC MEDICAL CENTER

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
C/O FINANCE DEPT 100 MCGREGOR
STREET

City or town, state or country, and ZIP + 4
MANCHESTER, NH 031023770

D Employer identification number
02-0315693

E Telephone number
(603)668-3545

G Gross receipts $ 324,124,670

F Name and address of principal officer
ALYSON PITMAN GILES
C/O FINANCE DEPT 100 MCGREGOR
STREET
MANCHESTER, NH 031023770

H(a) Is this a group return for affiliates? ☐ Yes ☑ No

H(b) Are all affiliates included? ☐ Yes ☐ No
If "No," attach a list (see instructions)

H(c) Group exemption number ▶ 0928

I Tax-exempt status ☑ 501(c)(3) ☐ 501(c) ( ) ◀ (insert no) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ WWW CATHOLICMEDICALCENTER ORG

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶ | **L** Year of formation 1974 | **M** State of legal domicile NH

Part I Summary

1 Briefly describe the organization's mission or most significant activities
THE MISSION OF CATHOLIC MEDICAL CENTER IS TO PROVIDE HEALTH, HEALING, AND HOPE TO ALL

2 Check this box ▶☐ if the organization discontinued its operations or disposed of more than 25% of its net assets

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	22
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	17
5	Total number of individuals employed in calendar year 2010 (Part V, line 2a)	**5**	2,342
6	Total number of volunteers (estimate if necessary)	**6**	405
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	0
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	0

		Prior Year	Current Year
Revenue	**8** Contributions and grants (Part VIII, line 1h)	390,994	390,704
	9 Program service revenue (Part VIII, line 2g)	270,543,220	294,570,757
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	2,373,630	3,970,821
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	4,427,012	16,731,668
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	277,734,856	315,663,950
Expenses	**13** Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	0
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	121,452,462	136,572,632
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b Total fundraising expenses (Part IX, column (D), line 25) ▶226,056		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	144,731,758	164,166,429
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	266,184,220	300,739,061
	19 Revenue less expenses Subtract line 18 from line 12	11,550,636	14,924,889

		Beginning of Current Year	End of Year
Net Assets or Fund Balances	**20** Total assets (Part X, line 16)	232,863,478	258,264,871
	21 Total liabilities (Part X, line 26)	179,364,600	157,683,086
	22 Net assets or fund balances Subtract line 21 from line 20	53,498,878	100,581,785

Part II Signature Block

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

Sign Here

****** | 2012-05-03
Signature of officer | Date

EDWARD DUDLEY CFO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check if self-employed ▶☐	PTIN
E DREW CHENEY	E DREW CHENEY			
Firm's name ▶ BAKER NEWMAN & NOYES				Firm's EIN ▶
Firm's address ▶ PO BOX 507 PORTLAND, ME 04112				Phone no ▶ (207) 879-2100

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

Part III **Statement of Program Service Accomplishments**

Check if Schedule O contains a response to any question in this Part III . . . . . ☑

1 Briefly describe the organization's mission

THE MISSION OF CATHOLIC MEDICAL CENTER IS TO PROVIDE HEALTH, HOPE AND HEALING TO ALL WE OFFER INNOVATIVE, QUALITY HEALTHCARE IN A COMPASSIONATE ENVIRONMENT BUILT ON TRUST AND RESPECT CMC IS A CATHOLIC ACUTE CARE HOSPITAL WHOSE PURPOSE IS TO EXTEND CHRIST'S HEALING MINISTRY TO ALL WHO SEEK ITS SERVICES
(CONTINUATION FROM PAGE 2)

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . . ☐ Yes ☑ No

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

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

If "Yes," describe these changes on Schedule O

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code) (Expenses $ 193,709,126 including grants of $) (Revenue $ 309,328,186)

MEDICAL & SURGICAL SERVICES PROVIDED TO 10,764 INPATIENTS AND 275,425 OUTPATIENTS

4b (Code) (Expenses $ 67,932,030 including grants of $) (Revenue $ 1,974,239)

VARIOUS OTHER SERVICES PLEASE SEE SCHEDULE H CATHOLIC MEDICAL CENTER (CMC), AS AN AGENCY OF THE ROMAN CATHOLIC CHURCH, SHALL PROVIDE HEALTH CARE IN A MANNER CONSISTENT WITH THE ETHICAL AND RELIGIOUS DIRECTIVES FOR CATHOLIC HEALTH CARE SERVICES AS INTERPRETED BY THE ROMAN CATHOLIC BISHOP OF MANCHESTER CMC SHALL EMPLOY THE HIGHEST QUALITY HEALTH CARE PROFESSIONALS AND THE MOST APPROPRIATE TECHNOLOGY TO DELIVER AN ARRAY OF SERVICES EITHER DIRECTLY OR THROUGH STRATEGIC ALLIANCES WITH COMPATIBLE HEALTH CARE PROVIDERS CMC SHALL TREAT WITH DIGNITY AND WITH OTHER COMPASSION THE BODY, MIND AND SPIRIT OF ALL WHO SEEK OR PROVIDE CARE AND COMFORT DETAIL FOR THIS IS PROVIDED IN SCHEDULE H

4c (Code) (Expenses $ including grants of $) (Revenue $)

4d Other program services (Describe in Schedule O)

(Expenses $ including grants of $) (Revenue $)

4e **Total program service expenses** ▶ $ 261,641,156

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete Schedule B, Schedule of Contributors (see instruction)?	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4	Yes	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in term, permanent,or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	Yes	
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line10? *If "Yes," complete Schedule D, Part VI.*	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII.*	11b		No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII.*	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX.*	11d		No
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X.*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X.*	11f		No
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12a		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional*	12b	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, and program service activities outside the United States? *If "Yes," complete Schedule F, Parts I and IV*	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the U S ? *If "Yes," complete Schedule F, Parts II and IV*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the U S ? *If "Yes," complete Schedule F, Parts III and IV*	16		No
17	Did the organization report a total of more than $15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I (see instructions)*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20a	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20a	Yes	
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? **Note.** Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)	20b	Yes	

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	**21**		No
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	**23**	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b–24d and complete Schedule K. If "No," go to line 25*	**24a**	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	**24c**		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		No
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	**26**		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	**27**		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**	Yes	
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	**28c**	Yes	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	**34**	Yes	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)?	**35**	Yes	
a	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2* ☑ **Yes** ☐ **No**			
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V . . . . . .

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable . .	1a	204		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			1c	Yes	
2a	Enter the number of employees reported on Form W-3, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	2a	2,342		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?			2b	Yes	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)					
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?			3a		No
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*			3b		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?			4a		No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts					
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .			5a		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			5b		No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?			5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?			6a		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			6b		
7	**Organizations that may receive deductible contributions under section 170(c).**					
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?			7a		No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?			7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			7c		No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d				
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			7e		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .			7f		No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			7g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			7h		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			8		
9	**Sponsoring organizations maintaining donor advised funds.**					
a	Did the organization make any taxable distributions under section 4966?			9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?			9b		
10	**Section 501(c)(7) organizations.** Enter					
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	10a				
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b				
11	**Section 501(c)(12) organizations.** Enter					
a	Gross income from members or shareholders	11a				
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b				
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?			12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b				
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**					
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O			13a		
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b				
c	Enter the amount of reserves on hand	13c				
14a	Did the organization receive any payments for indoor tanning services during the tax year?			14a		No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .			14b		

Part VI **Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response to any question in this Part VI . . . . . ☑

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a	22		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	17		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2			No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3			No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4			No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5			No
6	Does the organization have members or stockholders?	6		Yes	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a		Yes	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b		Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?	8a		Yes	
b	Each committee with authority to act on behalf of the governing body?	8b		Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9			No

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

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

Section C. Disclosure

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

18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection Indicate how you make these available Check all that apply

☐ Own website ☐ Another's website ☑ Upon request

19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public See Additional Data Table

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶

EDWARD DUDLEY
100 MCGREGOR STREET
MANCHESTER, NH 031023770
(603) 668-3545

Part VII Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response to any question in this Part VII . . . . . ☑

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization's **current** key employees, if any See instructions for definition of "key employee "
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations

List persons in the following order individual trustees or directors, institutional trustees, officers, key employees, highest compensated employees, and former such persons

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
See Additional Data Table										

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
See Additional Data Table										
1b **Sub-Total**										
c **Total from continuation sheets to Part VII, Section A**										
d **Total (add lines 1b and 1c)**								3,087,316	1,215,782	775,058

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 in reportable compensation from the organization ▶ 68

			Yes	No
3	Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	**3**	Yes	
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	**4**	Yes	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*	**5**		No

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization

(A) Name and business address	(B) Description of services	(C) Compensation
DARTMOUTH-HITCHCOCK CLINIC 100 HITCHCOCK WAY MANCHESTER, NH 03104	MEDICAL SERVICES	1,690,116
GRIFFIN YORK AND KRAUSE 121 RIVER FRONT DR MANCHESTER, NH 03102	MARKETING SERVICES	1,475,204
HARVEY CONSTRUCTION CORP TEN HARVEY ROAD BEDFORD, NH 03110	CONSTRUCTION SERVICES	885,258
ARAMARK MANAGEMENT SERVICE PO BOX 33170 NEWARK, NJ 07188	STAFFING SERVICES	704,913
DEVINE MILLIMET AND BRANCH PO BOX 719 MANCHESTER, NH 03105	LEGAL SERVICES	682,206

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 in compensation from the organization ▶ 32

Part VIII Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a Federated campaigns . .	1a				
	b Membership dues	1b				
	c Fundraising events	1c				
	d Related organizations . . .	1d				
	e Government grants (contributions)	1e				
	f All other contributions, gifts, grants, and similar amounts not included above	1f 390,704				
	g Noncash contributions included in lines 1a-1f $					
	h **Total.** Add lines 1a-1f . . . . . ▶		390,704			
Program Service Revenue		Business Code				
	2a PATIENT SERVICE REV	900099	294,570,757	294,570,757		
	b					
	c					
	d					
	e					
	f All other program service revenue					
	g **Total.** Add lines 2a–2f . . . . . ▶		294,570,757			
	3 Investment income (including dividends, interest and other similar amounts) . . . . . ▶		1,983,762			1,983,762
	4 Income from investment of tax-exempt bond proceeds . . ▶					
	5 Royalties . . . . . ▶					
		(i) Real	(ii) Personal			
	6a Gross Rents	315,596				
	b Less rental expenses					
	c Rental income or (loss)	315,596				
	d Net rental income or (loss) . . . . . ▶		315,596	315,596		
		(i) Securities	(ii) Other			
	7a Gross amount from sales of assets other than inventory	10,433,779	14,000			
	b Less cost or other basis and sales expenses	8,430,774	29,946			
	c Gain or (loss)	2,003,005	-15,946			
	d Net gain or (loss) . . . . . ▶		1,987,059			1,987,059
Other Revenue	8a Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 . . . a					
	b Less direct expenses . . . b					
	c Net income or (loss) from fundraising events . . ▶					
	9a Gross income from gaming activities See Part IV, line 19 . a					
	b Less direct expenses . . . . . b					
	c Net income or (loss) from gaming activities . . ▶					
	10a Gross sales of inventory, less returns and allowances . a					
	b Less cost of goods sold . . b					
	c Net income or (loss) from sales of inventory . . ▶					
	Miscellaneous Revenue	Business Code				
	11a EMPLOYEE SALES	722210	1,322,683	1,322,683		
	b					
	c					
	d All other revenue		15,093,389	15,093,389		
	e **Total.** Add lines 11a–11d . . . . . ▶		16,416,072			
	12 **Total revenue.** See Instructions . . . ▶		315,663,950	311,302,425	0	3,970,821

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.
All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U S See Part IV, line 21				
2 Grants and other assistance to individuals in the U S See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	2,686,306	2,257,988	428,318	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	99,784,429	83,777,354	15,891,743	115,332
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	11,539,702	9,698,431	1,839,697	1,574
9 Other employee benefits	15,250,840	12,819,169	2,431,671	
10 Payroll taxes	7,311,355	6,138,947	1,164,498	7,910
a Fees for services (non-employees) Management				
b Legal	1,224,694	1,029,423	195,271	
c Accounting	275,000	231,153	43,847	
d Lobbying	7,568	6,361	1,207	
e Professional fundraising services *See Part IV, line 17*				
f Investment management fees				
g Other	5,168,659	4,344,542	824,117	
12 Advertising and promotion	1,778,162	1,460,979	277,133	40,050
13 Office expenses	2,221,196	1,863,787	353,542	3,867
14 Information technology	3,455,659	2,904,671	550,988	
15 Royalties				
16 Occupancy	7,223,129	6,071,437	1,151,692	
17 Travel	196,481	165,153	31,328	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	162,906	136,931	25,975	
20 Interest	2,798,611	2,352,386	446,225	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	10,791,994	9,071,264	1,720,730	
23 Insurance	2,334,167	1,961,996	372,171	
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a MEDICAL SUPPLIES	55,374,682	46,545,464	8,829,218	
b BAD DEBT EXPENSE	23,309,455	23,309,455		
c PHYSICIAN FEES	20,887,455	20,887,455		
d MEDICAID ENHANCEMENT TA	12,521,429	12,521,429		
e EQUIPMENT MAINTENANCE	7,966,735	6,696,479	1,270,256	
f All other expenses	6,468,447	5,388,902	1,022,222	57,323
25 **Total functional expenses.** Add lines 1 through 24f	300,739,061	261,641,156	38,871,849	226,056
26 **Joint costs.** Check here ▶ ☐ if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		35,440,334	1	46,716,254
	2	Savings and temporary cash investments		4,743,419	2	4,748,890
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		27,689,982	4	32,302,845
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers, and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Schedule L			6	
	7	Notes and loans receivable, net		417,534	7	319,476
	8	Inventories for sale or use		1,224,129	8	1,228,166
	9	Prepaid expenses and deferred charges		2,313,505	9	3,402,177
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 198,455,958			
	b	Less accumulated depreciation	10b 120,769,175	81,772,991	10c	77,686,783
	11	Investments—publicly traded securities		78,265,782	11	90,967,858
	12	Investments—other securities See Part IV, line 11			12	
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		995,802	15	892,422
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		232,863,478	16	258,264,871
Liabilities	17	Accounts payable and accrued expenses		26,716,213	17	31,720,126
	18	Grants payable			18	
	19	Deferred revenue		842,714	19	744,653
	20	Tax-exempt bond liabilities		70,742,817	20	70,561,568
	21	Escrow or custodial account liability *Complete Part IV of Schedule D*			21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons *Complete Part II of Schedule L*			22	
	23	Secured mortgages and notes payable to unrelated third parties			23	248,508
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities Complete Part X of Schedule D		81,062,856	25	54,408,231
	26	**Total liabilities.** Add lines 17 through 25		179,364,600	26	157,683,086
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		46,874,594	27	93,318,020
	28	Temporarily restricted net assets		357,814	28	381,533
	29	Permanently restricted net assets		6,266,470	29	6,882,232
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		53,498,878	33	100,581,785
	34	Total liabilities and net assets/fund balances		232,863,478	34	258,264,871

Part XI Reconcilliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI . . . . . ☑

1	Total revenue (must equal Part VIII, column (A), line 12) . . .	1	315,663,950
2	Total expenses (must equal Part IX, column (A), line 25)	2	300,739,061
3	Revenue less expenses Subtract line 2 from line 1	3	14,924,889
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . .	4	53,498,878
5	Other changes in net assets or fund balances (explain in Schedule O)	5	32,158,018
6	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	100,581,785

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII . . . . . ☐

			Yes	No
1	Accounting method used to prepare the Form 990 ☐ Cash ☑ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? . .	2a		No
b	Were the organization's financial statements audited by an independent accountant?	2b	Yes	
c	If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	2c	Yes	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both ☐ Separate basis ☑ Consolidated basis ☐ Both consolidated and separated basis			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a	Yes	
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits . .	3b	Yes	

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493135030962

SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
CATHOLIC MEDICAL CENTER

Employer identification number
02-0315693

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

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

1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)

3 ☑ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state

_____

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)** (Complete Part II)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)

9 ☐ An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)

10 ☐ An organization organized and operated exclusively to test for public safety See **section 509(a)(4).**

11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h

a ☐ Type I **b** ☐ Type II **c** ☐ Type III - Functionally integrated **d** ☐ Type III - Other

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)

f If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

	Yes	No
(i) a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization? **11g(i)**		
(ii) a family member of a person described in (i) above? **11g(ii)**		
(iii) a 35% controlled entity of a person described in (i) or (ii) above? **11g(iii)**		

h Provide the following information about the supported organization(s)

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document? Yes	(iv) No	(v) Did you notify the organization in col (i) of your support? Yes	(v) No	(vi) Is the organization in col (i) organized in the U S ? Yes	(vi) No	(vii) Amount of support
Total									

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

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public Support.** Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 **Total support** (Add lines 7 through 10)						

12 Gross receipts from related activities, etc (See instructions) **12**

13 **First Five Years** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** ▶☐

Section C. Computation of Public Support Percentage

14 Public Support Percentage for 2010 (line 6 column (f) divided by line 11 column (f)) **14**

15 Public Support Percentage for 2009 Schedule A, Part II, line 14 **15**

16a **33 1/3% support test—2010.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support test—2009.** If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

17a **10%-facts-and-circumstances test—2010.** If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶☐

b **10%-facts-and-circumstances test—2009.** If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶☐

18 **Private Foundation** If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions ▶☐

Part III **Support Schedule for Organizations Described in Section 509(a)(2)**
(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	**(a)** 2006	**(b)** 2007	**(c)** 2008	**(d)** 2009	**(e)** 2010	**(f)** Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public Support** (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in)	**(a)** 2006	**(b)** 2007	**(c)** 2008	**(d)** 2009	**(e)** 2010	**(f)** Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 **Total support** (Add lines 9, 10c, 11 and 12)						

14 **First Five Years** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section501(c)(3) organization, check this box and **stop here** ▶☐

Section C. Computation of Public Support Percentage

15	Public Support Percentage for 2010 (line 8 column (f) divided by line 13 column (f))	**15**	
16	Public support percentage from 2009 Schedule A, Part III, line 15	**16**	

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2010** (line 10c column (f) divided by line 13 column (f))	**17**	
18	Investment income percentage from **2009** Schedule A, Part III, line 17	**18**	

19a **33 1/3% support tests—2010.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support tests—2009.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

20 **Private Foundation** If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions ▶☐

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

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493135030962

SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527

▶ Complete if the organization is described below.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

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

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

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

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

If the organization answered "Yes," to Form 990, Part IV, Line 5 (Proxy Tax) or Form 990-EZ, Part V, line 35a (Proxy Tax), then

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

Name of the organization	Employer identification number
CATHOLIC MEDICAL CENTER	02-0315693

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

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

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

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

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

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

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

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

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

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

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

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

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

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

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

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

A Check ☐ if the filing organization belongs to an affiliated group
B Check ☐ if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing Organization's Totals	(b) Affiliated Group Totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b Total lobbying expenditures to influence a legislative body (direct lobbying)		
c Total lobbying expenditures (add lines 1a and 1b)		
d Other exempt purpose expenditures		
e Total exempt purpose expenditures (add lines 1c and 1d)		
f Lobbying nontaxable amount Enter the amount from the following table in both columns		
g Grassroots nontaxable amount (enter 25% of line 1f)		
h Subtract line 1g from line 1a If zero or less, enter -0-		
i Subtract line 1f from line 1c If zero or less, enter -0-		

If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:
Not over $500,000	20% of the amount on line 1e
Over $500,000 but not over $1,000,000	$100,000 plus 15% of the excess over $500,000
Over $1,000,000 but not over $1,500,000	$175,000 plus 10% of the excess over $1,000,000
Over $1,500,000 but not over $17,000,000	$225,000 plus 5% of the excess over $1,500,000
Over $17,000,000	$1,000,000

j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? ☐ Yes ☐ No

4-Year Averaging Period Under Section 501(h)
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) Total
2a Lobbying non-taxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots non-taxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

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

		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities? If "Yes," describe in Part IV	Yes		39,857
j	Total lines 1c through 1i			39,857
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

Complete this part to provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, and Part II-B, line 1i. Also, complete this part for any additional information

Identifier	Return Reference	Explanation
EXPLANATION OF OTHER LOBBYING ACTIVITIES	PART II-B, LINE 1I	CATHOLIC MEDICAL CENTER IS A MEMBER OF THE NH HOSPITAL ASSOCIATION AND THE AMERICAN HOSPITAL ASSOCIATION A PORTION OF THE DUES PAID TO THESE ORGANIZATIONS IS AVAILABLE FOR LOBBYING EXPENDITURES ON BEHALF OF CMC AND THE OTHER ORGANIZATIONS IN FURTHERANCE OF THEIR EXEMPT PURPOSES CMC DOES NOT DIRECTLY PERFORM ANY LOBBYING ACTIVITIES DEVINE, MILLIMET AND BRANCH, PA PROVIDED LOBBYING SERVICES WHICH INCLUDED PROVIDING INFORMATION REGARDING PUBLIC POLICY PENDING BEFORE THE LEGISLATURE DEVINE, MILLIMET AND BRANCH, PA PARTICIPATED IN THE ADMINISTRATIVE RULE-MAKING PROCESS WITH RESPECT TO RULES CONCERNING THE CERTIFICATE OF NEEDS BOARD THEY ALSO PROVIDED GENERAL COMMUNICATION WITH ELECTED OFFICIALS

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493135030962

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
CATHOLIC MEDICAL CENTER

Employer identification number
02-0315693

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

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit ☐ Yes ☐ No

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

1 Purpose(s) of conservation easements held by the organization (check all that apply)
☐ Preservation of land for public use (e g , recreation or pleasure)
☐ Preservation of an historically importantly land area
☐ Protection of natural habitat
☐ Preservation of a certified historic structure
☐ Preservation of open space

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

		Held at the End of the Year
a	Total number of conservation easements	2a
b	Total acreage restricted by conservation easements	2b
c	Number of conservation easements on a certified historic structure included in (a)	2c
d	Number of conservation easements included in (c) acquired after 8/17/06	2d

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

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

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

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

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

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)? ☐ Yes ☐ No

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

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

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

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

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

(ii) Assets included in Form 990, Part X ▶ $ _____

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

a Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

b Assets included in Form 990, Part X ▶ $ _____

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

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

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

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

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

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

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

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

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

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV

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

		(a)Current Year	(b)Prior Year	(c)Two Years Back	(d)Three Years Back	(e)Four Years Back
1a	Beginning of year balance	6,624,284	6,155,849	7,356,078		
b	Contributions	81,408		31,900		
c	Investment earnings or losses	618,215	468,435	-1,232,129		
d	Grants or scholarships					
e	Other expenditures for facilities and programs	60,143				
f	Administrative expenses					
g	End of year balance	7,263,764	6,624,284	6,155,849		

2 Provide the estimated percentage of the year end balance held as

- a Board designated or quasi-endowment ▶ 0 %
- b Permanent endowment ▶ 94 750 %
- c Term endowment ▶ 5 250 %

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

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

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

Part VI Investments—Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		1,024,690		1,024,690
b Buildings		75,260,904	27,135,505	48,125,399
c Leasehold improvements		4,345,589	2,934,299	1,411,290
d Equipment		116,117,624	89,533,417	26,584,207
e Other		1,707,151	1,165,954	541,197
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				77,686,783

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
Other		
Total. *(Column (b) should equal Form 990, Part X, col (B) line 12)* ▶		

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Total. *(Column (b) should equal Form 990, Part X, col (B) line 13)* ▶		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	

Part X Other Liabilities. See Form 990, Part X, line 25.

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	
ACCRUED PENSION & OTHER LIABILITIES	53,434,346
DUE TO AFFILIATES	973,885
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	54,408,231

2. Fin 48 (ASC 740) Footnote In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC740)

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	315,663,950
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	300,739,061
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	14,924,889
4	Net unrealized gains (losses) on investments	4	10,001,115
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	22,156,903
9	Total adjustments (net) Add lines 4 - 8	9	32,158,018
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	47,082,907

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements			1	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a			
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total Revenue Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12)			5	

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements			1	
2	Amounts included on line 1 but not on Form 990, Part IX, line 25				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIV)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	
4	Amounts included on Form 990, Part IX, line 25, but not on line **1:**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total expenses Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18)			5	

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b Also complete this part to provide any additional information

Identifier	Return Reference	Explanation
DESCRIPTION OF INTENDED USE OF ENDOWMENT FUNDS	PART V, LINE 4	PROCEEDS FROM THE ORGANIZATION'S ENDOWMENT FUNDS ARE USED IN OPERATIONS
PART XI, LINE 8 - OTHER ADJUSTMENTS		NET TRANSFER (TO) FROM AFFILIATES -7,530,577 PENSION RELATED CHANGES OTHER THAN NET PERIODIC COST 29,331,769 CHANGE IN INTEREST IN PERPETUAL TRUST 408,370 ASSETS RELEASED FROM RESTRICTION USED FOR OPERATIONS -40,163 ADOPTION OF NEW ACCOUNTING PRINCIPLE - GOODWILL IMPAIRMENT - 12,496

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493135030962

SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 20.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
CATHOLIC MEDICAL CENTER

Employer identification number
02-0315693

Part I Financial Assistance and Certain Other Community Benefits at Cost

			Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a .	1a	Yes	
b	If "Yes," is it a written policy?	1b	Yes	
2	If the organization has multiple hospitals, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year ☐ Applied uniformly to all hospitals ☐ Applied uniformly to most hospitals ☐ Generally tailored to individual hospitals			
3	Answer the following based on the the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year			
a	Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing *free* care to low income individuals? If "Yes," indicate which of the following is the FPG family income limit for eligibility for free care ☐ 100% ☐ 150% ☑ 200% ☐ Other ____ %	3a	Yes	
b	Does the organization use FPG to determine eligibility for providing *discounted* care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care ☐ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☐ Other ____ %	3b		No
c	If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care			
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b		No
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		
6a	Does the organization prepare a community benefit report during the tax year?	6a	Yes	
6b	If "Yes," did the organization make it available to the public?	6b	Yes	
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheets 1 and 2)		14,347	8,731,675		8,731,675	2 900 %
b Unreimbursed Medicaid (from Worksheet 3, column a)		21,475	13,811,586		13,811,586	4 590 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)		63,966	25,961,497		25,961,497	8 630 %
d **Total** Financial Assistance and Means-Tested Government Programs		99,788	48,504,758		48,504,758	16 120 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)		336,574	4,130,687	216,156	3,914,531	1 300 %
f Health professions education (from Worksheet 5)		2,793	669,676		669,676	0 220 %
g Subsidized health services (from Worksheet 6)		24,361	13,887,396	1,749,083	12,138,313	4 040 %
h Research (from Worksheet 7)		379	106,370	9,000	97,370	0 030 %
i Cash and in-kind contributions to community groups (from Worksheet 8)			633,143		633,143	0 210 %
j **Total** Other Benefits		364,107	19,427,272	1,974,239	17,453,033	5 800 %
k **Total.** Add lines 7d and 7j		463,895	67,932,030	1,974,239	65,957,791	21 920 %

Part II **Community Building Activities** during the tax year, and describe in Part VI how its community building activities during the tax year, and describe in Part VI how its community building activities promoted the health of the communities it serves.

		(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing						
2	Economic development						
3	Community support		2,366	696,721	109,136	587,585	0 200 %
4	Environmental improvements						
5	Leadership development and training for community members						
6	Coalition building						
7	Community health improvement advocacy						
8	Workforce development						
9	Other						
10	**Total**		2,366	696,721	109,136	587,585	0 200 %

Part III **Bad Debt, Medicare, & Collection Practices**

Section A. Bad Debt Expense

				Yes	No
1	Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No 15?		1	Yes	
2	Enter the amount of the organization's bad debt expense (at cost)	2	8,041,762		
3	Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's financial assistance policy	3			
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit				

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	81,680,942
6	Enter Medicare allowable costs of care relating to payments on line 5	6	107,417,951
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	-25,737,009
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used		

☐ Cost accounting system ☑ Cost to charge ratio ☐ Other

Section C. Collection Practices

9a	Does the organization have a written debt collection policy?		9a	Yes	
b	If "Yes," does the organization's collection policy contain provisions on the collection practices to be followed for patients who are known to qualify for charity care or financial assistance? Describe in Part VI		9b	Yes	

Part IV **Management Companies and Joint Ventures**

	(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership%	(e) Physicians' profit % or stock ownership %
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					

Part V Facility Information

Section A. Hospital Facilities

(list in order of size, measured by total revenue per facility, from largest to smallest)

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

	Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
1	CATHOLIC MEDICAL CENTER 100 MCGREGOR STREET MANCHESTER,NH 03102	X	X					X		

Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility
(list in order of size, measured by total revenue per facility, from largest to smallest)

How many non-hospital facilities did the organization operate during the tax year? _____

Name and address	Type of Facility (Describe)
1	
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	

Part VI Supplemental Information

Complete this part to provide the following information

1 **Required descriptions.** Provide the description required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc)

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

Identifier	ReturnReference	Explanation
		PART II COMMUNITY SUPPORT SCHOOL PARTNERSHIPS -PARTNERSHIP WITH MANCHESTER SCHOOL SYSTEM - PARTNERSHIP WITH VNA, EDUCATION FOR CLASSROOM TEACHERS -PARTNERHIP WITH VNA, EDUCATION FOR PRESCHOOL CLASSROOMSEMERGENCY SERVICES PLANNING HOURS FOR EMERGENCY PREPAREDNESS - BIOTERRORISM PREPAREDNESS SAFETY MANAGEMENT

Identifier	ReturnReference	Explanation
		PART III, LINE 4 THERE IS NO FOOTNOTE IN THE FINANCIAL STATEMENT DESCRIBING BAD DEBT EXPENSE COSTING METHODOLOGY - RATIO OF COST TO CHARGE TO ARRIVE AT COST

Identifier	ReturnReference	Explanation
		PART III, LINE 8 THE AMOUNT IN LINE 7 IS REPORTED ON OUR COMMUNITY BENEFIT REPORT TO THE STATE OF NEW HAMPSHIRE

Identifier	ReturnReference	Explanation
		PART III, LINE 9B ALL PATIENTS ARE TREATED THE SAME ACCORDING TO OUR COLLECTION PROCEDURES

Identifier	ReturnReference	Explanation
CATHOLIC MEDICAL CENTER		PART V, SECTION B, LINE 13G SIGNS ARE POSTED THROUGHOUT THE FACILITY WHICH DETAIL THE FINANCIAL PROGRAMS AVAILABLE

Identifier	ReturnReference	Explanation
CATHOLIC MEDICAL CENTER		PART V, SECTION B, LINE 17E SIGNS ARE POSTED THROUGHOUT THE FACILITY THAT LIST THE FINANCIAL PROGRAMS PHRASES APPEAR ON OUR STATEMENTS AND PATIENTS ARE NOTIFIED DURING PHONE CONVERSATIONS

Identifier	ReturnReference	Explanation
CATHOLIC MEDICAL CENTER		PART V, SECTION B, LINE 19D ALL PATIENTS ARE CHARGED THE SAME REGARDLESS OF ABILITY TO PAY

Identifier	ReturnReference	Explanation
CATHOLIC MEDICAL CENTER		PART V, SECTION B, LINE 21 ALL PATIENTS ARE CHARGED THE SAME REGARDLESS OF ABILITY TO PAY

Identifier	ReturnReference	Explanation
		PART VI, LINE 2 IN COLLABORATION WITH THE CITY OF MANCHESTER AND OTHER HEALTH CARE AND SOCIAL SERVICE AGENCIES, CMC PARTICIPATES IN A COMMUNITY NEEDS ASSESSMENT EVERY FIVE YEARS AS REQUIRED BY THE NH ATTORNEY GENERAL'S OFFICE DIVISION OF CHARITABLE TRUSTS THE MOST RECENT COMMUNITY NEEDS ASSESSMENT, BELIEVE IN A HEALTHY COMMUNITY 2009 ADDITIONAL INFORMATION IS OBTAINED ON AN ONGOING BASIS TO ASSIST THE ORIGINATION IN EVALUATING PROGRESS TOWARDS MEETING OUR GOALS AND THE IDENTIFICATION OF NEWS AREAS OF NEED THIS INFORMATION IS COLLECTED THROUGH COMMUNITY SURVEYS, FOCUS GROUPS AND DISCUSSIONS WITH COMMUNITY LEADERS, PROGRAM EVALUATIONS AND COMMUNICATION WITH THOSE IN THE COMMUNITY WHO INTERACT WITH OUR VULNERABLE POPULATIONS

Identifier	ReturnReference	Explanation
		PART VI, LINE 3 FLYERS ARE POSTED THROUGHOUT THE HOSPITAL AND PRACTICES HIGHLIGHTING CATHOLIC MEDICAL CENTER'S UNCOMPENSATED CARE PROGRAM INPATIENTS WITH NO INSURANCE ARE REFERRED TO OUR SOCIAL SERVICE DEPARTMENT FOR AN EVALUATION TO DETERMINE ELIGIBILITY FOR FEDERAL, STATE AND CMC'S UNCOMPENSATED PROGRAM THE DEPARTMENT WORKS WITH THEM TO FACILITATE THE APPLICATION PROCESS OUTPATIENTS ARE REFERRED TO THE UNCOMPENSATED CARE OFFICE FOR SUCH AN EVALUATION AND FACILITATION OF THE PROCESS IF APPROPRIATE

Identifier	ReturnReference	Explanation
		PART VI, LINE 4 CATHOLIC MEDICAL CENTER'S PRIMARY SERVICE AREA CONSISTS OF THE FOLLOWING TOWNS AND CITIES AUBURN, BEDFORD, CANDIA, DEERFIELD, GOFFSTOWN, HOOKSETT, LONDONDERRY, MANCHESTER AND NEW BOSTON OUR SECONDARY SERVICE AREA IS MADE UP OF ALLENSTOWN, AMHERST, BOW, CHESTER, DERRY, DUNBARTON, MERRIMACK, RAYMOND AND WEARE

Identifier	ReturnReference	Explanation
		PART VI, LINE 6 COMMUNITY SUPPORT CMC IS INVOLVED IN A NUMBER OF COMMUNITY INITIATIVES TO IMPROVE THE HEALTH OUTCOMES OF OUR COMMUNITY, MANCHESTER SUSTAINABLE ACCESS PROJECT (MSAP), AN INITIATIVE TO IMPROVE HEALTH CARE ACCESS FOR THE POOR IN OUR COMMUNITY MADE UP OF ALL THE MAJOR HEALTH CARE PROVIDER'S SENIOR LEADERSHIP TEAMS, MANCHESTER ORAL HEALTH PROJECT TO IMPROVE THE ORAL HEALTH OF CHILDREN, CMC SCHOOL PARTNERSHIPS WITH AN ELEMENTARY, MIDDLE AND HIGH SCHOOL FOR HEALTH PREVENTION EDUCATION, STATE OF NH IN THE PROMOTION OF HEALTHY BEHAVIORS TO IMPROVE EDUCATIONAL OUTCOMES (LAEP), EMERGENCY AND BIOTERRORISM PREPAREDNESS SAFETY MANAGEMENT TO NAME A FEW OF OUR COMMUNITY INITIATIVES

Identifier	ReturnReference	Explanation
		PART VI, LINE 7 CMC IS A LICENSED 330 BED FULL SERVICE ACUTE CARE HOSPITAL LOCATED IN MANCHESTER NH, THE STATE'S LARGEST CITY CMC IS KNOWN FOR ITS ADVANCED CARDIAC AND GENERAL CARE SURGICAL CAPABILITIES AND ITS COMPREHENSIVE PROGRAMS FOR HIGH ACUITY PATIENTS SERVING THE COMMUNITY FOR MORE THAN 100 YEARS, CMC IS DEDICATED TO PROVIDING HEALTH, HEALING AND HOPE TO ALL CMC OFFERS FULL MEDICAL AND SURGICAL CARE WITH MORE THAN 25 SUBSPECIALTIES, COMPREHENSIVE ORTHOPEDIC CARE, INPATIENT AND OUTPATIENT REHABILITATION SERVICES, A 24 HOUR EMERGENCY DEPARTMENT, OUTPATIENT PSYCHIATRIC SERVICES, DIAGNOSTIC IMAGING AND COMMUNITY HEALTH SERVICES CMC PROVIDES INPATIENT AND OUTPATIENT SERVICES AT ITS MCGREGOR STREET FACILITY TO ALMOST 110,000 PATIENTS PER YEAR, MAKING IT ONE OF THE STATE'S LARGEST MEDICAL CENTERS CMC IS THE HOME OF THE NATIONALLY RECOGNIZED NEW ENGLAND HEART INSTITUTE (NEHI) NEHI COMPRISES CARDIOLOGISTS WHO ARE BOARD CERTIFIED IN INTERVENTIONAL CARDIOLOGY, ELECTROPHYSIOLOGY, AND NON-INVASIVE CARDIOLOGY THESE SPECIALISTS ARE JOINED BY BOARD CERTIFIED CARDIOVASCULAR SURGEONS AND THE ONLY BOARD CERTIFIED LIPIDOLOGIST CARDIOLOGIST IN NH CMC HAS BEEN NAMED ONE OF THE 100 BEST HOSPITALS IN THE NATION FOR CARDIAC CARE BY HEALTHGRADES WE ARE ALSO PROUD TO BE THE RECIPIENT OF A NUMBER OF OTHER RECOGNITIONS FOR OUR CARDIAC SERVICES - RANKED AMONG THE TOP 10 IN THE NATION FOR CARDIOLOGY SERVICE AND OVERALL CARDIAC CARE - HOLD A FIVE STAR RATING FOR CARDIAC SERVICES, FOR TREATMENT OF HEART ATTACK AND FOR INTERVENTIONAL PROCEDURES - RATED NUMBER 1 IN NH FOR CARDIAC SERVICES AND INTERVENTIONAL PROCEDURES CMC CONTINUES TO LEAD THE WAY IN ADVANCED MEDICAL TECHNOLOGY IT IS ONE OF THE FEW HOSPITALS IN NEW ENGLAND USING THE DAVINCI SURGICAL ROBOTICS SYSTEMS TO PERFORM LIFE SAVING SURGERY WITH FEWER COMPLICATIONS WE WERE THE FIRST HOSPITAL TO UTILIZE A 64SLICE CT SCANNER TO PROVIDE FASTER, LESS INVASIVE DIAGNOSIS OF CARDIAC DISEASE CMC IS EQUIPPED WITH AN ACHIEVA QUASAR3 0 T MRI ALLOWING FOR HIGHER RESOLUTION IMAGES IN LESS TIME THE ORTHOPEDIC SURGEONS HAVE ACCESS TO NEW O-ARM IMAGING SYSTEM, A HIGHER DEFINITION CT SCANNER THAT PROVIDES REAL TIME THREE DIMENSIONAL IMAGES DURING SURGERY CMC ALSO OFFERS DIGITAL MAMMOGRAPHY TO BETTER SERVE AND CARE FOR OUR POPULATION ALMOST 400 PHYSICIANS HAVE SOME LEVEL OF PRIVILEGES AT CMC CMC MAINTAINS A RIGOROUS APPLICATION AND CREDENTIALING PROCESS FOR ITS STAFF TO ENSURE THAT PATIENTS RECEIVE THE HIGHEST QUALITY OF CARE POSSIBLE CMC HAS A JOINT VENTURE WITH A FREE STANDING AMBULATORY SURGICAL CENTER CMC HAS A DEEPLY ROOTED HISTORY OF PROVIDING CARE TO THOSE MOST IN NEED THROUGH THE COMMUNITY HEALTH SERVICES DEPARTMENT CMC REACHES BEYOND THE WALLS OF THE HOSPITAL AND INTO THE COMMUNITY ASSISTING INDIVIDUALS WITH HEALTH INFORMATION AND ACCESS TO CARE COMMUNITY HEALTH SERVICES PROVIDES A WIDE VARIETY OF EDUCATION, CLINICAL SERVICES AND RESOURCES FOR THOSE IN OUR PRIMARY AND SECONDARY MARKETS IT IS THE HOME OF THE WEST SIDE NEIGHBORHOOD HEALTH CENTER, THE POISSON DENTAL FACILITY, THE HEALTH CARE FOR THE HOMELESS PROGRAM AND THE PARISH NURSE PROGRAM WE PROVIDE MEDICATION ASSISTANCE, BREAST AND CERVICAL CANCER SCREENINGS, HEALTH SCREENINGS, AND FERTILITY EDUCATION

Identifier	ReturnReference	Explanation
REPORTS FILED WITH STATES	PART VI, LINE 7	NH

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493135030962

Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
CATHOLIC MEDICAL CENTER

Employer identification number
02-0315693

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items ☐ First-class or charter travel ☐ Housing allowance or residence for personal use ☐ Travel for companions ☐ Payments for business use of personal residence ☐ Tax idemnification and gross-up payments ☐ Health or social club dues or initiation fees ☐ Discretionary spending account ☐ Personal services (e g , maid, chauffeur, chef)			
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement orprovision of all the expenses described above? If "No," complete Part III to explain	**1b**		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	**2**		
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply ☑ Compensation committee ☐ Written employment contract ☑ Independent compensation consultant ☑ Compensation survey or study ☑ Form 990 of other organizations ☑ Approval by the board or compensation committee			
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment from the organization or a related organization?	**4a**	Yes	
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		No
b	Any related organization?	**5b**		No
	If "Yes," to line 5a or 5b, describe in Part III			
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**		No
b	Any related organization?	**6b**		No
	If "Yes," to line 6a or 6b, describe in Part III			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**	Yes	
8	Were any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III	**8**		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	**9**		

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

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

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) ALYSON PITMAN GILES	(i)	611,927	137,472	0	274,487	96,529	1,120,415	0
	(ii)	0	0	0	0	0	0	0
(2) CONNOR J HAUGH	(i)	0	0	0	0	0	0	0
	(ii)	491,157	119,877	0	14,723	2,067	627,824	0
(3) WILLIAM CLUTTERBUCK	(i)	0	0	0	0	0	0	0
	(ii)	353,421	0	0	10,979	18,616	383,016	0
(4) KEITH A STAHL MD	(i)	0	0	0	0	0	0	0
	(ii)	219,994	31,333	0	8,299	19,144	278,770	0
(5) RAYMOND BONITO	(i)	346,879	60,199	0	91,903	41,736	540,717	0
	(ii)	0	0	0	0	0	0	0
(6) ALLEN ERICSON	(i)	306,319	35,848	0	16,045	33,506	391,718	0
	(ii)	0	0	0	0	0	0	0
(7) JOSEPH PEPE	(i)	297,429	22,051	0	10,849	1,585	331,914	0
	(ii)	0	0	0	0	0	0	0
(8) ROBERT DUHAIME	(i)	223,804	12,999	0	8,563	17,806	263,172	0
	(ii)	0	0	0	0	0	0	0
(9) BRIAN TEW	(i)	198,792	16,672	0	8,015	17,913	241,392	0
	(ii)	0	0	0	0	0	0	0
(10) MARGO COMPAGNA	(i)	207,331	12,967	0	7,932	15,576	243,806	0
	(ii)	0	0	0	0	0	0	0
(11) LISA ROUX COGGINS	(i)	182,513	13,104	0	7,283	7,457	210,357	0
	(ii)	0	0	0	0	0	0	0
(12) KEVIN KILDAY	(i)	344,398	0	0	12,707	31,338	388,443	0
	(ii)	0	0	0	0	0	0	0
(13)								
(14)								
(15)								
(16)								

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8 Also complete this part for any additional information

Identifier	Return Reference	Explanation
	PART I, LINES 4A-B	PART I, LINES 4A-B 4A THE FOLLOWING INDIVIDUAL RECEIVED COMPENSATION UNDER A SEVERANCE AGREEMENT KEVIN KILDAY $137,977 4B THE FOLLOWING INDIVIDUALS TAKE PART IN A SECTION 457(F) FORFEITABLE NONQUALIFIED DEFERRED COMPENSATION PLAN THESE REPRESENT CONTRIBUTIONS FOR MANY YEARS OF SERVICE ALYSON PITMAN GILES $257,348 RAY BONITO $80,065 ALLEN ERICSON $5,019 KEVIN KILDAY $9,356
	PART I, LINE 7	A PORTION OF COMPENSATION IS AT-RISK AND VARIABLE, AND PAYMENT DEPENDS ON THE QUALITY OF JOB PERFORMANCE

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493135030962

Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Schedule O (Form 990).
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
CATHOLIC MEDICAL CENTER

Employer identification number
02-0315693

Part I Bond Issues

	(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	NEW HAMPSHIRE HEALTH AND EDUCATION FACILITIES AUTHORITY	02-0279866	64461TCV4	05-10-2006	32,910,000	CONSTRUCTION & DEFEASANCE ESCROW		X		X		X
B	NEW HAMPSHIRE HEALTH AND EDUCATION FACILITIES AUTHORITY	02-0279866	NONEAVAIL	04-20-2010	7,000,000	REFINANCE 2009 NOTE		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired				
2	Amount of bonds legally defeased				
3	Total proceeds of issue	32,910,000	7,000,000		
4	Gross proceeds in reserve funds	3,111,888			
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrow	9,891,082	7,000,000		
7	Issuance costs from proceeds	480,821			
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds	20,559,500			
11	Other spent proceeds				
12	Other unspent proceeds	1,226,860			
13	Year of substantial completion	2009			

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?		X	X					
15	Were the bonds issued as part of an advance refunding issue?	X			X				
16	Has the final allocation of proceeds been made?	X		X					
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X					

Part III Private Business Use

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X		X				
2	Are there any lease arrangements that may result in private business use of bond-financed property?		X		X				

Part III Private Business Use *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use?		X		X				
b	Are there any research agreements that may result in private business use of bond-financed property?		X		X				
c	Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?	X		X					
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	0 %		0 %					
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶	0 %		0 %					
6	Total of lines 4 and 5	0 %		0 %					
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X		X					

Part IV Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?	X		X					
2	Is the bond issue a variable rate issue?		X		X				
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?		X		X				
b	Name of provider								
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was a hedge terminated?								
4a	Were gross proceeds invested in a GIC?	X			X				
b	Name of provider	MBIA							
c	Term of GIC	5 900000000000							
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?	X							
5	Were any gross proceeds invested beyond an available temporary period?	X			X				
6	Did the bond issue qualify for an exception to rebate?		X		X				

Part V Supplemental Information

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

Identifier	Return Reference	Explanation

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493135030962

Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

▶ Complete if the organization answered "Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V lines 38a or 40b.
▶ Attach to Form 990 or Form 990-EZ. ▶See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
CATHOLIC MEDICAL CENTER

Employer identification number
02-0315693

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

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

1 (a) Name of disqualified person	(b) Description of transaction	(c) Corrected? Yes	(c) Corrected? No

2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958 . . . . . ▶ $

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

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a

(a) Name of interested person and purpose	(b) Loan to or from the organization? To	(b) From	(c) Original principal amount	(d) Balance due	(e) In default? Yes	(e) No	(f) Approved by board or committee? Yes	(f) No	(g) Written agreement? Yes	(g) No
Total . . . . . ▶ $										

Part III Grants or Assistance Benefitting Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of grant or type of assistance

Part IV **Business Transactions Involving Interested Persons.**

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
See Additional Data Table					

Part V **Supplemental Information**

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

Identifier	Return Reference	Explanation

Additional Data

Software ID:
Software Version:
EIN: 02-0315693
Name: CATHOLIC MEDICAL CENTER

Form 990, Schedule L, Part IV - Business Transactions Involving Interested Persons

(a) Name of interested person	**(b)** Relationship between interested person and the organization	**(c)** Amount of transaction $	**(d)** Description of transaction	**(e)** Sharing of organization's revenues?	
				Yes	**No**
					No
					No
SARAH PITMAN	FAMILY MEMBER OF ALYSON PITMAN GILES	54,635	EMPLOYMENT		No
SETH PITMAN	FAMILY MEMBER OF ALYSON PITMAN GILES	12,750	EMPLOYMENT		No
JOYCE DUVAL	FAMILY MEMBER OF JEROME DUVAL	32,795	EMPLOYMENT		No
GRANITE STATE EMERGENCY PHYSICIANS	KATHLEEN ZAFFINO IS A MINORITY OWNER	527,293	ENTITY IS AN INDEPENDENT CONTRACTOR OF EMERGENCY ROOM PHYSICIANS		No
CARDIOTHORACIC SURGICAL ASSOCIATES	ENTITY MORE THAN 35% OWNED BY BENJAMIN WESTBROOK	232,855	ENTITY IS AN INDEPENDENT CONTRACTOR THAT PROVIDES A MEDICAL DIRECTOR OF CARDIOVASCULAR SURGERY		No

efile GRAPHIC print - DO NOT PROCESS	As Filed Data -	DLN: 93493135030962

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
CATHOLIC MEDICAL CENTER

Employer identification number
02-0315693

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 6		THE SOLE MEMBER OF CMC IS CMC HEALTHCARE SYSTEM

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7A		DIRECTORS OF CMC ARE APPOINTED BY THE SOLE MEMBER

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7B		THE SOLE MEMBER HAS RESERVED POWERS OVER CMC BUT DOES NOT APPROVE EACH SEPARATE ACTION TAKEN BY THE CMC BOARD

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11		THE 990 IS PRESENTED TO THE BOARD BEFORE FINALIZED

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	OFFICERS AND DIRECTORS ARE REQUIRED TO COMPLETE A CONFLICT OF INTEREST QUESTIONNAIRE ANNUALLY

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15	CMC UTILIZES A COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS TO SET COMPENSATION LEVELS AND DETERMINE BONUS POTENTIAL FOR ITS SENIOR LEADERSHIP TEAM THE COMMITTEE IS ASSISTED BY AN INDEPENDENT CONSULTANT WHO SURVEYS LIKE SIZED AND PERFORMING INSTITUTIONS TO BENCHMARK RELEVANT SALARY SCALES FOR EACH POSITION THE CONSULTANT'S FINDINGS ARE PRESENTED TO THE COMPENSATION COMMITTEE WHO CONSIDERS THAT EXTERNAL DATA WITH ACTUAL PERFORMANCE AGAINST A LIST OF PRE-ESTABLISHED GOALS PER SENIOR LEADERS TO SET PROSPECTIVE COMPENSATION LEVELS AND BONUS VALUES BONUS AMOUNTS ARE DETERMINED BY HOW WELL AN EXECUTIVE ACHIEVES A PRE-DEFINED SET OF GOALS THESE GOALS IN GENERAL ARE TIED TO THE ACHIEVEMENT OF A SPECIFIC TASK OR PROJECT SOME GOALS ARE ATTACHED TO ACHIEVE OVERALL FINANCIAL PERFOMANCE AND MISSION PERFORMANCE, NOT SOLELY REVENUE GENERATION

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 19	GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS ARE AVAILABLE UPON REQUEST

Identifier	Return Reference	Explanation
	FORM 990, PART VII, LINE 1B	AVERAGE HOURS PER WEEK FOR A RELATED ORGANIZATION CONNOR HAUGH 40 HRS WILLIAM CLUTTERBUCK 40 HRS KEITH A STAHL, MD 40 HRS

Identifier	Return Reference	Explanation
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	NET UNREALIZED GAINS ON INVESTMENTS 10,001,115 NET TRANSFER (TO) FROM AFFILIATES - 7,530,577 PENSION RELATED CHANGES OTHER THAN NET PERIODIC COST 29,331,769 CHANGE IN INTEREST IN PERPETUAL TRUST 408,370 ASSETS RELEASED FROM RESTRICTION USED FOR OPERATIONS -40,163 ADOPTION OF NEW ACCOUNTING PRINCIPLE - GOODWILL IMPAIRMENT -12,496 TOTAL TO FORM 990, PART XI, LINE 5 32,158,018

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493135030962

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
CATHOLIC MEDICAL CENTER

Employer identification number
02-0315693

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
See Additional Data Table							

Part III **Identification of Related Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1) MCGREGOR ST MOB 100 MCGREGOR ST MANCHESTER, NH03102 13-4347316	MEDICAL OFFICE BLDG	NH	CMC SYSTEM					No			No	0 %

Part IV **Identification of Related Organizations Taxable as a Corporation or Trust** (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) ALLIANCE ENTERPRISES 100 MCGREGOR ST MANCHESTER, NH03102 02-0386795	REAL ESTATE	NH	CMC SYSTEM	C			
(2) DOCTORS MEDICAL ASSOCIATION 100 MCGREGOR ST MANCHESTER, NH03102 02-0340690	MEDICAL OFFICE BUILDING	NH	CMC SYSTEM	C			

Part V Transactions With Related Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35, 35A, or 36.)

Note. Complete line 1 if any entity is listed in Parts II, III or IV

		Yes	No
1 During the tax year, did the orgranization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?			
a Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties **(iv)** rent from a controlled entity	1a		No
b Gift, grant, or capital contribution to other organization(s)	1b		No
c Gift, grant, or capital contribution from other organization(s)	1c	Yes	
d Loans or loan guarantees to or for other organization(s)	1d		No
e Loans or loan guarantees by other organization(s)	1e		No
f Sale of assets to other organization(s)	1f		No
g Purchase of assets from other organization(s)	1g		No
h Exchange of assets	1h		No
i Lease of facilities, equipment, or other assets to other organization(s)	1i	Yes	
j Lease of facilities, equipment, or other assets from other organization(s)	1j	Yes	
k Performance of services or membership or fundraising solicitations for other organization(s)	1k		No
l Performance of services or membership or fundraising solicitations by other organization(s)	1l		No
m Sharing of facilities, equipment, mailing lists, or other assets	1m	Yes	
n Sharing of paid employees	1n	Yes	
o Reimbursement paid to other organization for expenses	1o	Yes	
p Reimbursement paid by other organization for expenses	1p		No
q Other transfer of cash or property to other organization(s)	1q	Yes	
r Other transfer of cash or property from other organization(s)	1r	Yes	

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) NEW ENGLAND HEART INSTITUTE FOUNDATION	R	267,846	CASH TRANSFERRED
(2)			
(3)			
(4)			
(5)			
(6)			

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

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

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Are all partners section 501(c)(3) organizations?		(e) Share of end-of-year assets	(f) Disproprtionate allocations?		(g) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(h) General or managing partner?	
			Yes	No		Yes	No		Yes	No

Part VII Supplemental Information

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

Identifier	Return Reference	Explanation

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 02-0315693
Name: CATHOLIC MEDICAL CENTER

Form 990, Schedule R, Part II - Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
ALLIANCE RESOURCES 100 MCGREGOR ST MANCHESTER, NH03102 02-0398138	REAL ESTATE	NH	501(C)(3)	LINE 11B, II	CMC SYSTEMS		No
ALLIANCE HEALTH SERVICES 100 MCGREGOR ST MANCHESTER, NH03102 61-1508839	PRACTICES	NH	501(C)(3)	LINE 11B, II	CMC SYSTEMS		No
CMC HEALTHCARE SYSTEM 100 MCGREGOR ST MANCHESTER, NH03102 01-0568516	PARENT	NH	501(C)(3)	LINE 11B, II	N/A		No
CMC ASSOCIATES 100 MCGREGOR ST MANCHESTER, NH03102 02-0344786	SUPPORT	NH	501(C)(3)	LINE 11B, II	CMC	Yes	
CMC PHYSICIAN PRACTICE ASSOCIATES 100 MCGREGOR ST MANCHESTER, NH03102 02-0460245	PRACTICES	NH	501(C)(3)	LINE 11B, II	CMC SYSTEMS		No
NEHI FOUNDATION 100 MCGREGOR ST MANCHESTER, NH03102 22-3041916	SUPPORT	NH	501(C)(3)	LINE 7	CMC	Yes	
ST PETER'S HOME 100 MCGREGOR ST MANCHESTER, NH03102 02-0222228	HOME	NH	501(C)(3)	LINE 9	CMC SYSTEMS		No
ALLIANCE AMBULATORY SERVICES 100 MCGREGOR ST MANCHESTER, NH03102 02-0519436	PRACTICES	NH	501(C)(3)	LINE 11B, II	CMC SYSTEMS		No

Catholic Medical Center and Subsidiaries

Consolidated Financial Statements
June 30, 2011 and 2010

Catholic Medical Center and Subsidiaries
Index
June 30, 2011 and 2010

Report of Independent Auditors

To the Board of Trustees of
Catholic Medical Center and Subsidiaries

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, changes in net assets and cash flows present fairly, in all material respects, the financial position of Catholic Medical Center and Subsidiaries (the "Medical Center") at June 30, 2011 and 2010, and the results of their operations, changes in their net assets, and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America These financial statements are the responsibility of the Medical Center's management Our responsibility is to express an opinion on these financial statements based on our audits We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation We believe that our audits provide a reasonable basis for our opinion

PricewaterhouseCoopers LLP

October 24, 2011

PricewaterhouseCoopers LLP, 125 High Street, Boston, MA 02110
T: (617) 530 5000, F: (617) 530 5001, www.pwc.com/us

Catholic Medical Center and Subsidiaries
Consolidated Balance Sheets
June 30, 2011 and 2010

	2011	2010
Assets		
Current assets		
Cash and cash equivalents	$ 45,288,102	$ 34,262,533
Short-term investments	6,386,296	6,350,946
Accounts receivable from patients, less allowance of $11,863,966 in 2011 and $10,808,039 in 2010	32,302,845	27,689,982
Inventories	1,280,590	1,284,737
Other current assets	3,408,425	2,315,234
Total current assets	88,666,258	71,903,432
Property, plant and equipment, net	77,719,483	81,811,255
Other assets		
Notes receivable, less allowance of $800,000 in 2011 and 2010	319,476	457,534
Unamortized debt issuance costs	892,422	955,800
Total other assets	1,211,898	1,413,334
Assets whose use is limited		
Pension and insurance obligations	12,426,652	11,755,719
Board-designated and donor-restricted investments	73,468,961	61,334,647
Held by trustee under revenue bond agreement	5,072,246	5,175,416
Total assets whose use is limited	90,967,859	78,265,782
Total assets	$ 258,565,498	$ 233,393,803
Liabilities and Net Assets		
Current liabilities		
Current portion of long-term debt	$ 1,473,605	$ 1,360,000
Accounts payable and accrued expenses	15,135,972	13,614,605
Accrued salaries, wages and related accounts	12,818,247	11,428,294
Amounts payable to third-party payors	4,528,053	1,163,729
Notes payable	7,000,000	7,196,173
Amounts due to affiliates	966,496	1,256,713
Total current liabilities	41,922,373	36,019,514
Accrued pension and other liabilities, net of current portion	53,434,346	79,796,313
Long-term debt, net of current portion	62,336,472	63,546,644
Total liabilities	157,693,191	179,362,471
Commitments and contingencies		
Net assets		
Unrestricted	93,608,543	47,407,048
Temporarily restricted	381,533	357,814
Permanently restricted	6,882,231	6,266,470
Total net assets	100,872,307	54,031,332
Total liabilities and net assets	$ 258,565,498	$ 233,393,803

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

Catholic Medical Center and Subsidiaries
Consolidated Statements of Operations
Years Ended June 30, 2011 and 2010

	2011	2010
Operating revenue		
Net patient service revenue	$ 294,570,757	$ 270,543,220
DSH funding (Note 3)	12,027,952	11,926,981
Other revenue	5,360,633	5,014,426
Total operating revenue	311,959,342	287,484,627
Operating expenses		
Salaries, wages and fringe benefits	150,635,948	136,592,468
Supplies and other expenses	100,999,385	98,335,123
Medicaid enhancement tax (Note 3)	12,521,429	11,926,981
Provision for bad debts	23,309,455	18,065,551
Depreciation and amortization	10,797,556	10,548,509
Interest	2,798,611	2,960,086
Total operating expenses	301,062,384	278,428,718
Income from operations	10,896,958	9,055,909
Nonoperating gains (losses)		
Investment income	1,982,323	975,094
Net realized gains on sales of investments (including other-than-temporary impairment losses of $94,000 in 2010)	2,003,005	1,383,040
Loss on sale of property and equipment	(15,946)	-
Nonoperating gains, net	3,969,382	2,358,134
Excess of revenue over expenses	14,866,340	11,414,043
Other changes in net assets		
Change in unrealized appreciation on investments	9,794,325	3,794,694
Assets released from restriction used for capital	19,980	42,520
Pension-related changes other than net periodic pension cost	29,331,769	(17,483,749)
Adoption of new accounting principle - goodwill impairment	(12,496)	-
Net assets transferred to affiliates	(7,798,423)	(7,751,373)
Increase (decrease) in unrestricted net assets	$ 46,201,495	$ (9,983,865)

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

Catholic Medical Center and Subsidiaries
Consolidated Statements of Changes in Net Assets
Years Ended June 30, 2011 and 2010

	Unrestricted Net Assets	Temporarily Restricted Net Assets	Permanently Restricted Net Assets	Total Net Assets
Balances at June 30, 2009	$ 57,390,913	$ 320,238	$ 5,835,611	$ 63,546,762
Excess of revenue over expenses	11,414,043	-	-	11,414,043
Investment income	-	19,014	627	19,641
Change in unrealized appreciation on investments	3,794,694	-	86,148	3,880,842
Restricted contributions	-	148,225	-	148,225
Change in interest in perpetual trust	-	-	344,084	344,084
Net assets transferred to affiliates	(7,751,373)	-	-	(7,751,373)
Assets released from restriction used for operations	-	(87,143)	-	(87,143)
Assets released from restriction used for capital	42,520	(42,520)	-	-
Pension-related changes other than net periodic pension cost	(17,483,749)	-	-	(17,483,749)
(Decrease) increase in net assets	(9,983,865)	37,576	430,859	(9,515,430)
Balances at June 30, 2010	47,407,048	357,814	6,266,470	54,031,332
Excess of revenue over expenses	14,866,340	-	-	14,866,340
Investment income	-	2,454	601	3,055
Change in unrealized appreciation on investments	9,794,325	-	206,790	10,001,115
Restricted contributions	-	81,408	-	81,408
Change in interest in perpetual trust	-	-	408,370	408,370
Net assets transferred to affiliates	(7,798,423)	-	-	(7,798,423)
Assets released from restriction used for operations	-	(40,163)	-	(40,163)
Assets released from restriction used for capital	19,980	(19,980)	-	-
Adoption of new accounting principle - goodwill impairment	(12,496)	-	-	(12,496)
Pension-related changes other than net periodic pension cost	29,331,769	-	-	29,331,769
Increase in net assets	46,201,495	23,719	615,761	46,840,975
Balances at June 30, 2011	$ 93,608,543	$ 381,533	$ 6,882,231	$ 100,872,307

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

Catholic Medical Center and Subsidiaries
Consolidated Statements of Cash Flows
Years Ended June 30, 2011 and 2010

	2011	2010
Operating activities		
Change in net assets	$ 46,840,975	$ (9,515,430)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	10,797,556	10,548,509
Amortized discount on note payable	-	123,634
Adoption of new accounting principle - goodwill impairment	12,496	-
Pension-related changes other than net periodic pension cost	(29,331,769)	17,483,749
Net assets transferred to affiliates	7,798,423	7,751,373
Restricted gifts and investment income	(84,463)	(167,866)
Net realized gain on investments	(2,003,005)	(1,383,040)
Change in interest in perpetual trust	(408,370)	(344,084)
Change in unrealized appreciation on investments	(10,001,115)	(3,880,842)
Change in values of interest rate swaps	(380,831)	755,996
Loss on sale of property and equipment	15,946	-
Increase (decrease) in cash from working capital and other items		
Accounts receivable from patients and residents, net	(4,612,863)	(2,620,190)
Inventories	4,147	7,550
Other current assets	(1,093,191)	(715,124)
Amounts due from/to affiliates	(290,217)	529,984
Other assets	-	400,000
Accounts payable and accrued expenses	998,699	1,541,443
Accrued salaries, wages and related accounts	1,389,953	1,181,485
Amounts payable to third-party payors	3,364,324	(1,493,645)
Accrued pension and other liabilities	3,315,451	1,180,761
Net cash provided by operating activities	26,332,146	21,384,263
Investing activities		
Acquisition of property, plant and equipment	(5,814,761)	(12,633,104)
Proceeds from disposal of assets	14,000	4,200
Change in notes receivable	138,058	13,388
Decrease (increase) in funds held by trustee under revenue bond agreement	103,169	(51,201)
Net purchases of short-term investments	(35,350)	(214,082)
Increase in investments	(392,756)	(1,255,736)
Net cash used in investing activities	(5,987,640)	(14,136,535)
Financing activities		
Repayment of debt	(1,556,173)	(1,524,875)
Repayment of capital lease	(38,403)	-
Bond issuance cost - CAN Note	(10,401)	2,191
Bond issuance cost - 2002B Restructuring	-	(136,838)
Restricted gifts and investment income	84,463	167,866
Cash transferred to affiliates	(7,798,423)	(7,751,373)
Net cash used in financing activities	(9,318,937)	(9,243,029)
Increase (decrease) in cash and cash equivalents	11,025,569	(1,995,301)
Cash and cash equivalents		
Beginning of year	34,262,533	36,257,834
End of year (excluding short-term investments of $6,386,296 and $6,350,946)	$ 45,288,102	$ 34,262,533
Supplemental cash flow information		
Cash paid for interest	$ 2,798,612	$ 2,969,789
Property, plant and equipment additions included in accounts payable and accrued expenses	522,668	-
Noncash additions to fixed assets related to capital leases	286,912	-

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

1. Organization

The consolidated financial statements for Catholic Medical Center and Subsidiaries include the accounts of Catholic Medical Center (the "Medical Center"), a voluntary not-for-profit acute care hospital based in Manchester, New Hampshire Subsidiaries of the Medical Center include New England Heart Institute Foundation ("NEHIF") and CMC Associates During 2005, control of NEHIF and CMC Associates was transferred to the Medical Center In 2011, NEHIF was formally dissolved and assets were transferred to the Medical Center The Medical Center, which primarily serves residents of New Hampshire and northern Massachusetts, is controlled by CMC Healthcare System, Inc (the "System"), a not-for-profit corporation which functions as the parent company and sole member of the Medical Center

2. Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements have been prepared using the accrual basis of accounting

Principles of Consolidation

The consolidated financial statements include the accounts of the Medical Center, NEHIF and CMC Associates 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 ("US GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements Estimates also affect the reported amounts of revenue and expenses during the reporting period Actual results could differ from these estimates The primary estimates relate to collectibility of receivables from patients and third-party payors, conditional asset retirement obligations and self-insurance reserves

Income Taxes

The Medical Center, NEHIF and CMC Associates are not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code (the "Code") and are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code

Temporarily and Permanently Restricted Net Assets

Gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of donated assets

Temporarily restricted net assets are those whose use by the Medical Center has been limited by donors to a specific time period or purpose When a donor restriction expires (i e , when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of operations as either net assets released from restrictions used for operations (for noncapital related items and included in other revenue) or as net assets released from restrictions used for capital (capital related items)

Permanently restricted net assets have been restricted by donors to be maintained by the Medical Center in perpetuity Income earned on permanently restricted net assets, to the extent not restricted by the donor, including net unrealized appreciation on investments, is included in the statement of operations as unrestricted resources or as a change in temporarily restricted net assets in accordance with donor-intended purposes or applicable law

Performance Indicator
Excess of revenues over expenses is compromised of operating revenues and expenses and nonoperating gains and losses 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 or incidental transactions are reported as nonoperating gains or losses, which include contributions, realized gains and losses on the sales of securities, unrestricted investment income and contributions to community agencies

Charity Care
The Medical Center has a formal charity care policy under which patient care is provided to patients who meet certain criteria without charge or at amounts less than its established rates The Medical Center does not pursue collection of amounts determined to qualify as charity care, therefore, they are not reported as revenues

Cash and Cash Equivalents
Cash and cash equivalents include certificates of deposit with maturities of three months or less when purchased and investments in overnight deposits at various banks Cash and cash equivalents exclude amounts whose use is limited by board designation and amounts held by trustees under revenue bond and other agreements The Medical Center maintains approximately $38,300,000 and $28,400,000 at June 30, 2011 and 2010, respectively, of its cash and cash equivalent accounts with a single institution The Medical Center has not experienced any losses associated with deposits at this institution

Included in cash and cash equivalents is an amount held in escrow by the Royal Bank of Canada Capital Markets ("RBCCM"), in the amount of $2,460,000 and $1,590,000 at June 30, 2011 and 2010, respectively These funds are on deposit with RBCCM as a condition of the Medical Center's swap agreement on the Series 2002B revenue bonds

Inventories
Inventories of supplies are stated at the lower of cost (determined by the first-in, first-out method) or market

Property, Plant and Equipment
Property, plant and equipment is stated at cost at time of purchase or fair market value at the time of donation, less accumulated depreciation The Medical Center'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 provisions for depreciation and amortization have been determined using the straight-line method at rates, which are intended to amortize the cost of assets over their estimated useful lives, which range from 2 to 40 years

Goodwill
On July 1, 2010, the Medical Center adopted ASU 2010-07, Not-for-Profit Entities Mergers and Acquisitions, on accounting and reporting by a not-for-profit entity for goodwill and other intangible assets acquired in the acquisition of a business or nonprofit activity by a not-for-profit entity

The Medical Center reviews its goodwill and other long-lived assets annually to determine whether the carrying amount of such assets are impaired Upon determination that an impairment has occurred, these assets are reduced to fair value Recorded impairments at the time of adoption of the new accounting principle on July 1, 2010 were $12,496 The impairments relate to goodwill related to purchased physician practices impaired under a valuation technique based on multiples of earnings

Retirement Benefits
The Catholic Medical Center Pension Plan (the "Plan") provides retirement benefits for certain employees of the Medical Center and certain employees of an affiliated organization who have attained age twenty-one and work at least 1,000 hours per year The Plan consists of a benefit accrued to July 1, 1985, plus 2% of plan year earnings (to legislative maximums) per year The Medical Center's funding policy is to contribute amounts to the Plan sufficient to meet minimum funding requirements set forth in the Employee Retirement Income Security Act of 1974, plus such additional amounts as may be determined to be appropriate from time to time The Plan is intended to constitute a plan described in Section 414(k) of the Internal Revenue Code, under which benefits derived from employer contributions are based on the separate account balances of participants in addition to the defined benefits under the Plan

Effective January 1, 2008, the Medical Center decided to close participation in the Plan to new participants As of January 1, 2008, current participants continued to participate in the Plan while new employees receive a higher matching contribution to the tax-sheltered annuity benefit program discussed below There was no impact on the liability, as no current benefits were frozen and the amendment only affected future employees

During 2011, the Board of Trustees voted to freeze the accrual of benefits under the Plan effective December 31, 2011 Accordingly, the Medical Center recorded a curtailment gain of $26,455,853 at June 30, 2011

The Medical Center also maintains a tax-sheltered annuity benefit program in which it matches one-half of employee contributions up to either 2 or 3% of their annual salary, depending on date of hire The Medical Center made matching contributions under the program of $1,469,681 and $1,200,517 for the years ended June 30, 2011 and 2010, respectively

During 2007, the Medical Center created a nonqualified deferred compensation plan covering certain employees under Section 457(b) of the Code Under the Plan, a participant may elect to defer a portion of their compensation to be held until payment in the future to the participant or to his or her beneficiary Consistent with the requirements of the Code, all amounts of deferred compensation, including but not limited to, any investments held and all income attributable to such amounts, property and rights will remain subject to the claims of the Medical Center's creditors, without being restricted to the payment of deferred compensation, until payment is made to the participant or their beneficiary No contributions were made by the Medical Center for the years ended June 30, 2011 or 2010

The Medical Center also provides a noncontributory supplemental executive retirement plan covering certain former executives, as defined The Medical Center's policy is to accrue costs under this plan using the "Projected Unit Credit Actuarial Cost Method" and to amortize past service costs over a fifteen-year period Benefits under this plan are based on the participant's final average salary, social security benefit, retirement income plan benefit, and total years of service Certain investments have been designated for payment of benefits under this plan and are included in assets whose use is limited-pension and insurance obligations

During 2007, the Medical Center created a supplemental executive retirement plan covering certain executives of the Medical Center The Medical Center recorded compensation expense of $398,471 and $361,887 for the years ended June 30, 2011 and 2010, respectively, related to this plan

Employee Fringe Benefits
The Medical Center has an "earned time" plan Under this plan, each qualifying employee "earns" hours of paid leave for each pay period worked These hours of paid leave may be used for vacations, holidays, or illness Hours earned but not used are vested with the employee and are paid to the employee upon termination The Medical Center expenses the cost of these benefits as they are earned by the employees

Debt Issuance Costs/Original Issue Discount
The debt issuance costs incurred to obtain financing for the Medical Center's construction and renovation programs and refinancing of prior bonds and the original issue discount are amortized in declining amounts by the effective interest method over the repayment period of the bonds The original issue discount of bonds is presented as a reduction of the face amount of bonds payable

Investments and Investment Income
Investments in debt and equity securities, including funds held by trustee under revenue bond agreements, are measured at fair value primarily based on quoted market prices Realized gains or losses on the sale of investment securities are determined by the specific identification method and are recorded on the settlement date Interest and dividend income on unrestricted investments, unrestricted investment income on permanently restricted investments and unrestricted net realized gains/losses are reported as nonoperating gains

The Medical Center invests in privately held investment funds of $56,005,000 and $39,450,000 at June 30, 2011 and 2010, respectively, which are carried at estimated fair value determined by management, based upon valuations provided by management of the privately held investment funds as of June 30, 2011 and 2010 Since investments in privately held investment funds are not readily marketable, the estimated value is subject to uncertainty and therefore, may differ from the value that would have been used had a market for such investments existed and such differences could be material

During the years ended June 30, 2011 and 2010, the Medical Center reported realized losses of approximately $0 and $94,000, respectively, relating to declines in fair value of investments, that were determined by management to be other than temporary

Derivative Instruments
Derivatives are recognized as either assets or liabilities in the balance sheet at fair value regardless of the purpose or intent for holding them Changes in the fair value of derivatives are recognized either in the excess of revenues over expenses or net assets, depending on whether the derivative is speculative or being used to hedge changes in fair value or cash flows

Beneficial Interest in Perpetual Trust
The Medical Center is the beneficiary of trust funds administered by trustees or other third parties Trusts wherein the Medical Center has the irrevocable right to receive the income earned on the trust assets in perpetuity are recorded as permanently restricted net assets at the fair value of the trust at the date of receipt Income distributions from the trusts are reported as investment income that increase unrestricted net assets, unless restricted by the donor Annual changes in the fair value of the trusts are recorded as increases or decreases to permanently restricted net assets

Malpractice Loss Contingencies
The Medical Center has a claims made basis policy for its malpractice insurance coverage A claims made policy provides specific coverage for claims reported during the policy term The Medical Center has established a reserve to cover professional liability exposure which may not be covered by insurance The possibility exists, as a normal risk of doing business, that malpractice claims in excess of insurance coverage may be asserted against the Medical Center In the event a loss contingency should occur, the Medical Center would give it appropriate recognition in its financial statements in conformity with accounting standards The Medical Center expects to be able to obtain renewal or other coverage in future periods

Reclassifications
Certain amounts from the 2010 financial statements have been reclassified to conform to the 2011 presentation The Medicaid enhancement tax and disproportionate share funding have been reclassified from net patient service revenue and are now presented separately in the statement of operations (Note 3)

Subsequent Events
Effective in 2009, the Medical Center implemented new accounting guidance, which establishes general standards of accounting for, and disclosures of, events that occur after the balance sheet date but before the financial statements are issued Management evaluated all subsequent events through the audit opinion date of October 24, 2011

3. Net Patient Service Revenues

The following summarizes net patient service revenues

	Years Ended June 30,	
	2011	**2010**
Gross patient service revenues	$ 754,830,631	$ 654,416,392
Less Contractual allowances	460,259,874	383,873,172
Net patient service revenues	$ 294,570,757	$ 270,543,220

The Medical Center maintains contracts with the Social Security Administration ("Medicare") and the State of New Hampshire Department of Health and Human Services ("Medicaid") The Medical Center 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's diagnosis related group classification Capital costs and certain Medicare and Medicaid outpatient services are also reimbursed on a prospectively determined fixed price The Medical Center receives payment for Medicaid outpatient services on a reasonable cost basis which are settled with retroactive adjustments upon completion and audit of related cost finding reports

Differences between amounts previously estimated and amounts subsequently determined to be recoverable or payable are included in net patient service revenues in the year that such amounts become known The percentage of net patient service revenues earned from the Medicare and Medicaid programs was 30% and 2%, respectively, in 2011 and 29% and 3%, respectively, in 2010

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation The Medical Center believes that it is in compliance with all applicable laws and regulations, 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 (Note 15)

The Medical Center also maintains contracts with certain commercial carriers, health maintenance organizations, preferred provider organizations and state and federal agencies The basis for payment under these agreements includes prospectively determined rates per discharge and per day, discounts from established charges and fee screens The Medical Center does not currently hold reimbursement contracts which contain financial risk components

The Medical Center recognizes changes in accounting estimates for net patient service revenue and third-party payor settlements as new events occur or as additional information is obtained For the years ended June 30, 2011 and 2010, (unfavorable) favorable adjustments recorded for changes to prior year estimates were approximately ($180,000) and $69,800, respectively

Under the State of New Hampshire's (the "State") tax code, the State imposes a Medicaid enhancement tax equal to 5 5% of net patient service revenues The amount of tax incurred by the Medical Center for 2011 and 2010 was $12,521,429 and $11,926,981, respectively Disproportionate share ("DSH") funding payments from the State are recorded in operating revenues and amounted to $12,027,952 and $11,926,981 in 2011 and 2010, respectively

4. Property, Plant and Equipment

The major categories of property, plant and equipment at June 30, 2011 and 2010 are as follows

	Useful Life	2011	2010
Land and land improvements	2-40 years	$ 1,177,304	$ 1,172,304
Buildings and improvements	2-40 years	75,260,904	73,959,121
Fixed equipment	3-25 years	40,989,631	41,790,276
Movable equipment	3-25 years	79,535,655	73,637,742
Construction in progress		488,815	1,679,132
		197,452,309	192,238,575
Less Accumulated depreciation and amortization		119,732,826	110,427,320
Net property, plant and equipment		$ 77,719,483	$ 81,811,255

Depreciation expense amounted to $10,653,876 and $10,420,437 for the years ended June 30, 2011 and 2010, respectively

5. Note Payable and Long-Term Debt

Long-term debt at June 30 consists of the following

	2011	2010
New Hampshire Health and Education Facilities Authority (the "Authority") Revenue Bonds		
Series 2002A bonds with interest ranging from 5 000% to 6 125% per year and principal payable in annual installments ranging from $380,000 to $730,000 through July 1, 2032 The bonds may be redeemed in whole or in part on or after July 1, 2012 at a premium which is not to exceed 1% of the bonds value	$ 7,825,000	$ 8,165,000
Series 2002B bonds with a variable interest rate computed based on a weekly floater rate as determined in the agreement, a portion of which is swapped for a fixed interest rate of 3 500% through November 1, 2024 Principal is payable in annual installments ranging from $640,000 to $1,650,000 through July 2032	24,000,000	24,640,000
Series 2006 bonds with interest ranging from 4 875% to 5 000% per year and principal payable in annual installments ranging from $340,000 to $2,680,000 through July 2036	31,950,000	32,330,000
	63,775,000	65,135,000
Capitalized lease obligations	248,509	-
Less Unamortized original issue discount	213,432	228,356
	63,810,077	64,906,644
Less Current portion	1,473,605	1,360,000
Long-term debt, net of current portion	$ 62,336,472	$ 63,546,644

In December 2002, the Medical Center, in connection with the Authority, issued $19,225,000 of tax-exempt fixed rate revenue bonds (Series 2002A) and $28,000,000 of tax-exempt variable rate revenue bonds (Series 2002B) Under the terms of the loan agreements, the Medical Center has granted the Authority a first collateralized interest in all gross receipts and a mortgage lien on existing and future property, plant and equipment The Medical Center is required to maintain a minimum debt service coverage ratio of 1 25

The proceeds of the Series 2002A and 2002B bond issues were used to advance refund the Series 1989 bonds, to reimburse the Medical Center for prior capital expenditures and to provide funding for the Medical Center's major capital expansion project, a 72,000 square foot addition

The Series 2002B bonds are subject to purchase from time to time at the option of the owners thereof To enhance the marketability of the bonds and in order to provide the availability of funds for the payment of the tendered bonds, the Authority has provided for the remarketing of the bonds To the extent that the remarketing may not be successful, the Authority, and the Medical Center have provided for the purchase of such bonds by entering into a Letter of Credit Reimbursement Agreement (the "Agreement") with Citizens Bank (the "Bank") The Bank will purchase the Series 2002B bonds that have been tendered and not remarketed Amounts advanced under the Agreement and not reimbursed to the Bank by the 180th day will automatically be converted into a term loan

The letter of credit also collateralizes the Series 2002B bonds which allows the Trustee to draw up to $25,609,726 for repayment of principal and interest on the Series 2002B bonds Drawings on the letter of credit will bear interest at the Bank's base rate The letter of credit expires on July 1, 2016 As of June 30, 2011 and 2010, approximately $16,200,000 has been successfully remarketed by the remarketing agency

In May 2006, the Medical Center, in connection with the Authority, issued $32,910,000 of tax-exempt fixed rate revenue bonds (Series 2006) Under the terms of the loan agreements, the Medical Center has granted the Authority a first collateralized interest in all gross receipts and a mortgage lien on existing and future property, plant and equipment The Medical Center is required to maintain a minimum debt service coverage ratio of 1 25

The proceeds of the Series 2006 bond issue were used to advance refund $9,010,000 of the Series 2002A bonds, to provide funding for renovating additional space and equipment at the hospital, and to provide a portion of the funding for the construction of a new parking garage

The Medical Center has an agreement with the Authority which provides for the establishment of various funds, the use of which is generally restricted to the payment of debt These funds are administered by a trustee and income earned on certain of these funds is similarly restricted One of the funds held by the trustee is the debt service reserve fund This fund may be used should the Medical Center fail to meet principal and interest payments The reserve fund requirement is the lesser of 10% of the original principal amount less original issue discount of bonds, the maximum amount of principal and interest due in any one future year or 125% of the average annual debt service Any amounts in excess of the requirements of the fund may be transferred at the discretion of the Medical Center

Interest paid by the Medical Center totaled $2,798,612 and $2,960,086 for the years ended June 30, 2011 and 2010, respectively

Aggregate principal payments due on the revenue bonds and capitalized lease obligations for each of the five years and thereafter ending June 30 are as follows

2012	$ 1,473,605
2013	1,541,483
2014	1,614,512
2015	1,697,709
2016 and thereafter	57,696,200
	$ 64,023,509

The scheduled principal maturities represent annual payments as required under long-term debt repayment schedules

Included in the Medical Center's debt is $24,000,000 of variable rate demand bonds ("VRDBs") The Medical Center has entered into an irrevocable letter of credit ("LOC") with a financial institution to secure bond repayment and interest obligations associated with its VRDBs In the event a bond cannot be remarketed, the bond may be "put" to the LOC provider, resulting in a loan to fund redemption of the bond If it is assumed that outstanding bonds are put as of July 1, 2011, aggregate scheduled repayments under the VRDB related LOC would be as follows $665,000 in 2012, $695,000 in 2013, $725,000 in 2014, $760,000 in 2015 and $21,155,000 in 2016 and thereafter During the year ending June 30, 2011, the VRDBs were successfully remarketed for the Medical Center There have been no instances where the VRDBs failed to be remarketed and were put back to the Medical Center

The fair value of the Medical Center's long-term debt is estimated using discounted cash flow analysis, based on the Medical Center's current incremental borrowing rate for similar types of borrowing arrangements The fair value of the Medical Center's long-term debt, excluding capitalized lease obligations was $60,021,250 and $62,353,151 at June 30, 2011 and 2010, respectively

Pursuant to a Guaranty Agreement dated as of January 1, 1994 by and between Optima Health, Inc ("Optima") and the trustee for Hillcrest Terrace's Series 1994 bond issue, later transferred from Optima to the Medical Center, the Medical Center has guaranteed to fund, up to a maximum cumulative amount of $1,900,000, any deficiencies in the Hillcrest Terrace's Debt Service Reserve Fund (the "Reserve Fund") to the extent that the Reserve Fund value, as defined, is less than $800,000 As of June 30, 2011 and 2010, the Medical Center has made cumulative payments of $251,564 under this guarantee As of June 30, 2011 and 2010, the Medical Center has recorded a liability for the remaining $1,648,436, based upon management's estimate of future obligations

Notes Payable
In April 2005, the Medical Center, in connection with the Authority, issued $7,000,000 of Revenue Anticipation/Capital Notes (Series 2005F) The proceeds were used to purchase capital equipment throughout the year and to renew the Series 2004I notes The notes mature annually and have been renewed each year since inception In April 2010, the Medical Center reissued $7,000,000 of Revenue Anticipation/Capital Notes (Series 2010E) to renew the Series 2009B notes In April 2011, the Medical Center reissued $7,000,000 of Revenue Anticipation/Capital Notes (Series 2011A) to renew the Series 2010E notes These notes mature on April 18, 2012 with an interest rate of 2 35%

Derivatives
The Medical Center uses derivative financial instruments principally to manage interest rate risk During 2005, the Medical Center entered into an interest rate swap agreement to release the existing agreement signed in 2003 This agreement involves the exchange of fixed rate payments by the Medical Center for variable rate payments from the counterparty without the exchange of the underlying notional amounts The notional amount for this agreement is $15,000,000 and expires in November 2024 Under the provisions of this agreement, interest is to be paid to the counterparty, by the Medical Center at 67% of USD-LIBOR-BBA through the remainder of the term

The fair values of these derivatives amounted to ($1,894,890) and ($2,275,721) as of June 30, 2011 and 2010, respectively, and have been included in accrued pension and other liabilities The changes in the fair value of the derivative of $380,831 and ($755,996) have been included within nonoperating investment income for the years ended June 30, 2011 and 2010, respectively

6. Notes Receivable

During February 1994, Hillcrest Terrace ("Hillcrest") together with the Authority restructured $26,000,000 of special obligation revenue bonds (Series 1990) The bondholder consented to an amendment of the Series 1990 bond indenture, which permitted the redemption of the Series 1990 bonds at a price of 85% of the par value thereof, or $22,100,000 The redemption was accomplished partially with the issuance of $18,950,000 of Series 1994 revenue bonds to the Authority The Authority then loaned, under a the Loan Agreement and Mortgage, the proceeds thereof to Hillcrest, which proceeds, after payment of certain issuance expenses and accrued interest on the Series 1990 bonds, were used to pay a portion of the redemption price of the Series 1990 bonds In addition, certain funds deposited into the Series 1990 Reserve Fund were paid to Fidelity Health Alliance, Inc (the Medical Center's former parent company and one of the organizations which formed Optima and hereinafter referred to as Optima) to repay earlier advances Optima then loaned $2,581,528 to Hillcrest pursuant to a subordinated loan agreement Hillcrest owed Optima $400,856, which was converted from a current obligation to a long-term obligation and included in the subordinated loan agreement resulting in a total of $2,982,384 owed to Optima In conjunction with the disaffiliation from Optima effective July 1, 2000, the subordinated loan became payable to the Medical Center Hillcrest used a portion of the subordinated loan to pay a portion of the redemption price of the Series 1990 bonds Also, upon redemption of the Series 1990 bonds, $1,500,000 from the Series 1990 Reserve Fund was transferred to the Series 1994 Reserve Fund and the remaining amount, $1,074,000, of the Series 1990 Reserve Fund was used to pay a portion of the redemption price of the Series 1990 bonds The subordinated loan is subordinated in all respects to the Series 1994 revenue bonds During 2004, the subordinated loan was restructured by the Medical Center The principal due was reduced from $2,982,384 to $1,522,909 The new note bears interest at a stated rate of 5% per annum The balance receivable from Hillcrest is $1,151,184 and $1,217,534 at June 30, 2011 and 2010, respectively As of August 31, 2008, Hillcrest defaulted on their debt covenants As a result, the Medical Center has reserved $800,000 against the note receivable in the event of default, at June 30, 2011 and 2010 As of June 30, 2011 all payments are current

7. Operating Leases

The Medical Center has various noncancelable agreements to lease various pieces of medical equipment The Medical Center also has noncancelable leases for office space The Medical Center has also assumed lease obligations for physician practices that became provider based Rental expense on all leases for the years ended June 30, 2011 and 2010 was $5,561,836 and $5,291,725, respectively

Estimated future minimum lease payments under noncancelable facility and equipment operating leases for the years ending June 30 are as follows

2012	$ 6,020,727
2013	4,737,347
2014	3,213,348
2015	2,072,533
2016 and thereafter	14,181,975
	$ 30,225,930

8. Investments and Assets Whose Use is Limited

Investments and assets whose use is limited, are comprised of the following

	2011		2010	
	Fair Value	**Cost**	**Fair Value**	**Cost**
Cash and cash equivalents	$ 8,095,887	$ 8,095,887	$ 7,702,846	$ 7,702,846
US Federated Treasury Obligations	5,072,246	5,072,246	5,175,417	5,175,417
Marketable equity securities	17,836,632	15,093,287	17,910,977	17,325,536
Fixed income	10,343,992	9,899,746	14,380,537	13,741,538
Private investment funds	56,005,398	43,944,957	39,446,951	35,141,785
	$ 97,354,155	$ 82,106,123	$ 84,616,728	$ 79,087,122

Unrestricted investment (loss) income is summarized as follows

	Years Ended June 30,	
	2011	**2010**
Nonoperating investment income	$ 1,982,323	$ 975,094
Realized gains (losses) on sales of investments (including other-than-temporary impairments)	2,003,005	1,383,040
Change in unrealized appreciation on investments	9,794,325	3,794,694
	$ 13,779,653	$ 6,152,828

Effective July 1, 2008, the Medical Center adopted new accounting guidance which defines fair value, establishes a framework for measuring fair value and enhances disclosures about fair value measurements Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement data In determining fair value, the use of various valuation approaches, including market, income and cost approaches, is permitted

A fair value hierarchy has been established based on whether the inputs to valuation techniques are observable or unobservable Observable inputs reflect market data obtained from sources independent of the reporting entity and unobservable inputs reflect the entities own assumptions about how market participants would value an asset or liability based on the best information available Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs The standard describes a fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value

The following describes the hierarchy of inputs used to measure fair value and the primary valuation methodologies used by the Medical Center for financial instruments measured at fair value on a recurring basis The three levels of inputs are as follows

Level 1 – Observable inputs such as quoted prices in active markets,

Level 2 – Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly, and

Level 3 – Unobservable inputs in which there is little or no market data

Assets and liabilities measured at fair value are based on one or more of three valuation techniques The three valuation techniques are as follows

- *Market approach* – Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities,
- *Cost approach* – Amount that would be required to replace the service capacity of an asset (i e , replacement cost), and
- *Income approach* – Techniques to convert future amounts to a single present amount based on market expectations (including present value techniques)

The following fair value hierarchy tables present information about the Medical Center's assets and liabilities measured at fair value on a recurring basis based upon the lowest level of significant input to the valuations

As of June 30, 2011

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 8,095,887	$ -	$ -	$ 8,095,887
Marketable equity securities	5,072,246	-	-	5,072,246
U S Federated Treasury Obligations	17,836,632	-	-	17,836,632
Fixed income	10,343,992	-	-	10,343,992
Private investment funds	-	45,085,122	10,920,276	56,005,398
Total assets at fair value	$ 41,348,757	$ 45,085,122	$ 10,920,276	$ 97,354,155

	Level 1	Level 2	Level 3	Total
Interest rate swap	$ -	$ -	$ (1,894,890)	$ (1,894,890)
Total liabilities at fair value	$ -	$ -	$ (1,894,890)	$ (1,894,890)

As of June 30, 2010

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 7,702,846	$ -	$ -	$ 7,702,846
Marketable equity securities	17,910,977	-	-	17,910,977
U S Federated Treasury Obligations	5,175,417	-	-	5,175,417
Fixed income	14,380,537	-	-	14,380,537
Private investment funds	-	29,187,091	10,259,860	39,446,951
Total assets at fair value	$ 45,169,777	$ 29,187,091	$ 10,259,860	$ 84,616,728

	Level 1	Level 2	Level 3	Total
Interest rate swap	$ -	$ -	$ (2,275,721)	$ (2,275,721)
Total liabilities at fair value	$ -	$ -	$ (2,275,721)	$ (2,275,721)

The following tables present the assets and liabilities carried at fair value as of June 30, 2011 and 2010 that are classified within level 3 of the fair value hierarchy The tables reflect gains and losses for each year, including gains and losses on assets and liabilities that were transferred to level 3 during the year Additionally, both observable and unobservable inputs may be used to determine the fair value of positions that the Medical Center has classified within the level 3 category As a result, the unrealized gains and losses for assets and liabilities within level 3 may include changes in fair value that were attributable to both observable and unobservable inputs

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)	
	Private Investment Funds	Interest Rate Swap
Balance at July 1, 2010	$ 10,259,860	$ (2,275,721)
Realized losses	(9,150)	380,831
Unrealized gains	875,993	-
Purchases and sales	(206,427)	-
Balance at June 30, 2011	$ 10,920,276	$ (1,894,890)

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)	
	Private Investment Funds	Interest Rate Swap
Balance at July 1, 2009	$ 30,328,507	$ (1,519,725)
Realized losses	(405,614)	(755,996)
Unrealized gains	3,695,697	-
Purchases and sales	5,548,226	-
Investment income	280,135	-
Transfer in and/or out of level 3	(29,187,091)	-
Balance at June 30, 2010	$ 10,259,860	$ (2,275,721)

There were no significant transfers between Level 1, 2 or 3 for the year ended June 30, 2011

In 2009, new guidance related to the Fair Value Measurement standard was issued for estimating the fair value of investments in investment companies (limited partnerships) that have a calculated value of their capital account or net asset value ("NAV") in accordance with, or in a manner consistent with US GAAP The Medical Center is permitted under US GAAP to estimate the fair value of an investment at the measurement date using the reported NAV without further adjustment unless the Medical Center expects to sell the investment at a value other than NAV or if the NAV is not calculated in accordance with US GAAP The Medical Center's investments in private investment funds are fair valued based on the most current NAV

The Medical Center performs additional procedures including due diligence reviews on its investments in investment companies and other procedures with respect to the capital account or NAV provided to ensure conformity with US GAAP The Medical Center has assessed factors including, but not limited to, managers' compliance with Fair Value Measurement standard, price transparency and valuation procedures in place, the ability to redeem at NAV at the measurement date, and existence of certain redemption restrictions at the measurement date

The guidance also requires additional disclosures to enable user of the financial statements to understand the nature and risk of the Medical Center's investments Furthermore, investments which can be redeemed at NAV by the Medical Center on the measurement date or in the near term are classified as Level 2 Investments which cannot be redeemed on the measurement date or in the near term are classified as Level 3 The new guidance did not materially affect the Medical Center's consolidated financial statements

Category	Fair Value	Redemption Frequency	Redemption Notice Period
Private Investment Funds	$ 10,920,276	Quarterly, Annually	1 year lock up with 65-90 days notice

As a result of adopting the new guidance for estimating fair value of investments, certain investments have been transferred to level 2 assets subject to criteria described above based upon the recorded amounts at June 30, 2010

9. Retirement Benefits

A reconciliation of the changes in the Catholic Medical Center Pension Plan and the Medical Center's Supplemental Executive Retirement Plan projected benefit obligations and the fair value of assets for the years ended June 30, 2011 and 2010, and a statement of funded status of the plans as of June 30 for both years follows

	Catholic Medical Center Pension Plan		Pre-1987 Supplemental Executive Retirement Plan	
	2011	2010	2011	2010
Change in benefit obligations				
Benefit obligation at beginning of year	$ (165,821,556)	$ (132,852,638)	$ (5,290,290)	$ (4,911,643)
Service cost (including expense load)	(7,953,006)	(6,666,494)	-	-
Interest cost	(9,451,428)	(8,568,601)	(249,976)	(297,738)
Benefits paid	2,634,090	2,430,444	508,251	513,838
Actuarial (gain) loss	(4,145,691)	(20,344,267)	(362,437)	(594,747)
Expenses paid	494,343	180,000	-	-
Curtailments, settlements, and special termination benefits	26,455,853	-	-	-
Benefit obligation at end of year	(157,787,395)	(165,821,556)	(5,394,452)	(5,290,290)
Accumulated benefit obligation	152,373,702	135,448,005	-	52,905,290
Change in plan assets				
Fair value of plan assets at beginning of year	93,896,501	81,232,261	-	-
Actual return on plan assets	18,331,134	9,274,684	-	-
Employer contributions	9,472,000	6,000,000	-	-
Benefits paid	(2,634,090)	(2,430,444)	508,251	513,838
Expenses paid	(494,343)	(180,000)	(508,251)	(513,838)
Fair value of plan assets at end of year	118,571,202	93,896,501	-	-
Funded status of plan at June 30	(39,216,193)	(71,925,055)	(5,394,452)	(5,290,290)
Amounts recognized in the statement of financial position consist of				
Current liability	-	-	(493,072)	(497,280)
Noncurrent liability	(39,216,193)	(71,925,055)	(4,901,380)	(4,793,010)
Net amount recognized	$ (39,216,193)	$ (71,925,055)	$ (5,394,452)	$ (5,290,290)

The net loss for the defined benefit pension plans that will be amortized from unrestricted net assets into net periodic benefit cost over the next fiscal year is $997,222

The current portion of accrued pension costs included in the above amounts for the Medical Center amounted to $504,709 and $509,463 at June 30, 2011 and 2010, respectively, and have been included in accounts payable and accrued expenses

The amounts recognized in unrestricted net assets for the years ended June 30, 2011 and 2010 consist of

	Catholic Medical Center Pension Plan		Pre-1987 Supplemental Executive Retirement Plan	
	2011	2010	2011	2010
Unrestricted net assets				
Prior service cost	$ -	$ (73,094)	$ -	$ -
Net loss	(30,916,224)	(65,207,090)	(2,318,731)	(2,053,360)
Total unrestricted net assets	$ (30,916,224)	$ (65,280,184)	$ (2,318,731)	$ (2,053,360)

Net periodic pension cost includes the following components for the years ended June 30, 2011 and 2010

	Catholic Medical Center Pension Plan		Pre-1987 Supplemental Executive Retirement Plan	
	2011	2010	2011	2010
Service cost (including expenses)	$ 7,953,006	$ 6,666,494	$ -	$ -
Interest cost	9,451,428	8,568,601	249,976	297,738
Expected return on plan assets	(8,917,758)	(8,407,549)	-	-
Prior service cost amortization	13,535	13,535	-	-
Amount of loss recognized	2,567,325	618,409	97,066	64,129
Recognition due to settlement or curtailment	59,559	-	-	-
Net periodic pension cost	$ 11,127,095	$ 7,459,490	$ 347,042	$ 361,867

Other changes in plan assets and benefit obligations recognized in unrestricted net assets for the years ended June 30, 2011 and 2010 consist of

	Catholic Medical Center Pension Plan		Pre-1987 Supplemental Executive Retirement Plan	
	2011	2010	2011	2010
New net loss (gain)	$ (31,723,538)	$ 19,477,132	$ 362,437	$ 594,747
Amortization of prior service cost (credit)	(13,535)	(13,535)	-	-
Recognition or prior service cost due to curtailment	(59,559)	-	-	-
Amortization of net gain (loss)	(2,567,325)	(618,409)	(97,066)	(64,129)
Net amount recognized	$ (34,363,957)	$ 18,845,188	$ 265,371	$ 530,618

The Medical Center's investment strategy is to maintain a diversified portfolio of investments with an investment and risk profile consistent with pension liabilities

The investments of the plans are comprised of the following at June 30

	Target Allocation Fiscal Year Ending June 30, 2011	Catholic Medical Center Pension Plan	
		2011	2010
Equity securities	60 %	60 6 %	46 7 %
Debt securities	30	30 7	44 8
Other	10	8 7	8 5
	100 %	100 %	100 %

The assumption for the long-term rate of return on plan assets has been determined by reflecting expectations regarding future rates of return for the investment portfolio, with consideration given to the distribution of investments by asset class and historical rates of return for each individual asset class

The weighted-average assumptions used to determine for the defined benefit pension plans obligations at June 30 are as follows

	Catholic Medical Center Pension Plan		Pre-1987 Supplemental Executive Retirement Plan	
	2011	2010	2011	2010
Discount rate	5 89 %	5 75 %	4 72 %	4 90 %
Rate of increase in future compensation levels	4 00	4 00	-	-

The weighted-average assumptions used to determine the defined benefit pension plans net periodic benefit costs for the years ended June 30 are as follows

	Catholic Medical Center Pension Plan		Pre-1987 Supplemental Executive Retirement Plan	
	2011	2010	2011	2010
Discount rate	5 75 %	6 50 %	4 90 %	6 30 %
Rate increase in future compensation levels	4 00	4 00	-	-
Expected long-term rate of return on plan assets	7 75	7 75	-	-

The following benefits, which reflect expected future service, as appropriate, are expected to be paid for the years ending June 30 are

	Catholic Medical Center Pension Plan	Pre-1987 Supplemental Executive Retirement Plan
2012	$ 3,080,252	$ 504,709
2013	3,600,938	490,079
2014	4,093,673	481,476
2015	4,638,483	450,534
2016	5,293,995	440,487
2017-2021	37,942,948	2,021,401

The Medical Center contributed $9,472,000 and $508,251 to the Catholic Medical Center Pension Plan and the Pre-1987 Supplemental Executive Retirement Plan, respectively, for the year ended June 30, 2011 The Medical Center plans to make any necessary contributions during the upcoming fiscal 2012 year to ensure the Plans continue to be adequately funded given the current market conditions

The following fair value hierarchy tables present information about the Medical Center pension plan's financial assets measured at fair value on a recurring basis based upon the lowest level of significant input valuation

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 1,705,152	$ -	$ -	$ 1,705,152
Marketable equity securities	20,217,166	-	-	20,217,166
Fixed income	16,503,041	-	-	16,503,041
Private investment funds	-	69,799,800	10,346,043	80,145,843
Total assets at fair value	$ 38,425,359	$ 69,799,800	$ 10,346,043	$ 118,571,202

The following table present the assets carried at fair values at June 30, 2011 that are classified at level 3 of the fair value hierarchy The table reflects gains and losses for the year, including gains and losses on assets that were transferred to Level 3 as of June 30, 2011 Additionally, both observable and unobservable inputs may be used to determine the fair value of positions that the Medical Center has classified within the level 3 category As a result, the unrealized gains and losses for assets within level 3 may include changes in fair value that were attributable to both observable and unobservable inputs

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)
	Private Investment Funds
Balance at July 1, 2010	$ 7,931,511
Realized gains/losses	(13,508)
Unrealized gains/losses	765,015
Purchases and sales	1,663,025
Balance at June 30, 2011	$ 10,346,043

10. Related Party Transactions

During 2011 and 2010, the Medical Center made and received transfers (to) from affiliated organizations as follows

	2011	2010
Alliance Health Services	$ (2,500,000)	$ (4,022,000)
Physician Practice Associates	(7,672,800)	(6,219,373)
Alliance Ambulatory Service	2,440,000	2,731,000
Alliance Resources, Inc	(65,000)	(138,000)
Alliance Enterprises	-	(3,000)
St Peter's Home, Inc	(623)	(100,000)
	$ (7,798,423)	$ (7,751,373)

The Medical Center enters into various other transactions with the aforementioned related organizations as well as certain other related organizations in the prior year The net effect of these transactions was an amount due to affiliates of $966,495 and $1,256,713 at June 30, 2011 and 2010, respectively

11. Community Benefits

The Medical Center rendered charity care in accordance with its formal charity care policy, which, at established charges, amounted to $26,928,605 and $21,829,824 for the years ended June 30, 2011 and 2010, respectively Also, the Medical Center provides community service programs, without charge, such as Prime Time, The Center for Healthy Aging, Prenatal Clinic Care and Ask-a-Nurse The costs of providing these programs amounted to $2,195,477 and $2,043,792 for the years ended June 30, 2011 and 2010, respectively

12. Functional Expenses

The Medical Center provides general health care services to residents within its geographic location including inpatient, outpatient and emergency care Expenses related to providing these services are as follows

	Years Ended June 30,	
	2011	2010
Health care services	$ 253,059,481	$ 228,737,797
General and administrative	48,002,903	49,690,921
	$ 301,062,384	$ 278,428,718

13. Concentration of Credit Risk

The Medical Center grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements The mix of receivables from patients and third-party payors is as follows

	June 30,	
	2011	2010
Medicare	41 %	40 %
Medicaid	5	6
Commercial insurance and other	22	19
Patients	16	19
Blue Cross	16	16
	100 %	100 %

14. Endowments

In July 2008, the State of New Hampshire enacted a version of the Uniform Prudent Management of Institutional Funds Act of 2006 ("UPMIFA") The new law which has an effective date of July 1, 2008, eliminates the historical dollar threshold and establishes prudent spending guidelines that consider both the duration and preservation of the fund As a result of this enactment, subject to the donor's intent as expressed in a gift agreement or similar document, a New Hampshire, charitable organization may now spend the principal and income of an endowment fund, even from an underwater fund, after considering the factors listed in the Act

At June 30, 2011, the endowment net asset composition by type of fund consisted of the following

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted funds	$ -	$ 381,533	$ 6,882,231	$ 7,263,764
Board-designated funds	66,205,197	-	-	66,205,197
Total funds	$ 66,205,197	$ 381,533	$ 6,882,231	$ 73,468,961

Changes in endowment net assets for the fiscal year ended June 30, 2011, consisted of the following

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 54,710,363	$ 357,814	$ 6,266,470	$ 61,334,647
Investment return				
Investment income	1,242,172	2,454	601	1,245,227
Net depreciation (realized and unrealized)	10,978,393	-	615,160	11,593,553
Total investment (loss) gain	12,220,565	2,454	615,761	12,838,780
Contributions	(745,711)	81,408	-	(664,303)
Appropriation of endowment assets for expenditure	19,980	(60,143)	-	(40,163)
Endowment net assets, end of year	$ 66,205,197	$ 381,533	$ 6,882,231	$ 73,468,961

At June 30, 2010, the endowment net asset composition by type of fund consisted of the following

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted funds	$ -	$ 357,814	$ 6,266,470	$ 6,624,284
Board-designated funds	54,710,363	-	-	54,710,363
Total funds	$ 54,710,363	$ 357,814	$ 6,266,470	$ 61,334,647

Changes in endowment net assets for the fiscal year ended June 30, 2010 consisted of the following

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 49,166,713	$ 286,963	$ 5,835,611	$ 55,289,287
Investment return				
Investment income	1,118,184	19,014	627	1,137,825
Net depreciation (realized and unrealized	4,156,973	33,275	430,232	4,620,480
Total investment (loss) gain	5,275,157	52,289	430,859	5,758,305
Contributions	225,973	148,225	-	374,198
Appropriation of endowment assets for expenditure	42,520	(129,663)	-	(87,143)
Endowment net assets, end of year	$ 54,710,363	$ 357,814	$ 6,266,470	$ 61,334,647

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Medical Center to retain as a fund of perpetual duration There were no such deficiencies as of June 30, 2011 and 2010

15. Commitments and Contingencies

Litigation

Various legal claims, generally incidental to the conduct of normal business, are pending or have been threatened against the Medical Center The Medical Center intends to defend vigorously against these claims While ultimate liability, if any, arising from any such claims is presently indeterminable, it is management's opinion that the ultimate resolution of these claims will not have a material adverse effect on the financial condition of the Medical Center

Regulatory

The healthcare industry is subject to numerous laws and regulations of federal, state, and local governments Recently, government activity has increased with respect to investigations and allegations concerning possible violations by health care providers of fraud and abuse statutes and regulations, which could result in the imposition of significant fines and penalties as well as significant repayments for patient services previously billed Compliance with such laws and regulations are subject to government review and interpretations as well as regulatory actions unknown or unasserted at this time

Other Financial Information

Report of Independent Auditors on Supplementary Consolidating Information

To the Board of Trustees of
Catholic Medical Center and Subsidiaries

The report on our audits of the consolidated financial statements of Catholic Medical Center and Subsidiaries as of and for the years ended June 30, 2011 and 2010 appears on page 1 of this document Those audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole The consolidating information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and results of operations of the individual entities Accordingly, we do not express an opinion on the financial position and results of operations of the individual entities However, the consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole

PricewaterhouseCoopers LLP

October 24, 2011

PricewaterhouseCoopers LLP, 125 High Street, Boston, MA 02110
T: (617) 530 5000, F: (617) 530 5001, www.pwc.com/us

Catholic Medical Center and Subsidiaries
Consolidating Balance Sheet
June 30, 2011

	Catholic Medical Center	CMC Associates	New England Heart Institute Foundation	Eliminations	Total
Assets					
Current assets					
Cash and cash equivalents	$ 45,078,847	$ 209,255	$ -	$ -	$ 45,288,102
Short-term investments	6,386,296	-	-	-	6,386,296
Accounts receivable from patients, less allowance of $11,863,966 in 2011	32,302,845	-	-	-	32,302,845
Inventories	1,228,166	52,424	-	-	1,280,590
Other current assets	3,402,177	6,248	-	-	3,408,425
Total current assets	88,398,331	267,927	-	-	88,666,258
Property, plant and equipment, net	77,686,783	32,700	-	-	77,719,483
Other assets					
Note receivable, less allowance of $800,000 in 2011	319,476	-	-	-	319,476
Unamortized debt issuance costs	892,422	-	-	-	892,422
	1,211,898	-	-	-	1,211,898
Assets whose use is limited					
Pension and insurance obligations	12,426,652	-	-	-	12,426,652
Board-designated and donor-restricted investments	73,468,961	-	-	-	73,468,961
Held by trustee under revenue bond agreement	5,072,246	-	-	-	5,072,246
Total assets whose use is limited	90,967,859	-	-	-	90,967,859
Total assets	$ 258,264,871	$ 300,627	$ -	$ -	$ 258,565,498
Liabilities and Net Assets					
Current liabilities					
Current portion of long-term debt	$ 1,473,605	$ -	$ -	$ -	$ 1,473,605
Accounts payable and accrued expenses	15,118,478	17,494	-	-	15,135,972
Accrued salaries, wages and related accounts	12,818,247	-	-	-	12,818,247
Amounts payable to third-party payors	4,528,053	-	-	-	4,528,053
Notes payable	7,000,000	-	-	-	7,000,000
Amounts due to affiliates	973,886	(7,390)	-	-	966,496
Total current liabilities	41,912,269	10,104	-	-	41,922,373
Accrued pension and other liabilities, net of current portion	53,434,346	-	-	-	53,434,346
Long-term debt, net of current portion	62,336,472	-	-	-	62,336,472
Total liabilities	157,683,087	10,104	-	-	157,693,191
Commitments and contingencies					
Net assets					
Unrestricted	93,318,020	290,523	-	-	93,608,543
Temporarily restricted	381,533	-	-	-	381,533
Permanently restricted	6,882,231	-	-	-	6,882,231
Total net assets	100,581,784	290,523	-	-	100,872,307
Total liabilities and net assets	$ 258,264,871	$ 300,627	$ -	$ -	$ 258,565,498

Catholic Medical Center and Subsidiaries
Consolidating Balance Sheet
June 30, 2010

	Catholic Medical Center	CMC Associates	New England Heart Institute Foundation	Eliminations	Total
Assets					
Current assets					
Cash and cash equivalents	$ 33,832,808	$ 163,476	$ 266,249	$ -	$ 34,262,533
Short-term investments	6,350,946	-	-	-	6,350,946
Accounts receivable from patients, less allowance of $10,808,039 in 2010	27,689,982	-	-	-	27,689,982
Inventories	1,224,129	60,608	-	-	1,284,737
Other current assets	2,313,505	1,729	-	-	2,315,234
Total current assets	71,411,370	225,813	266,249	-	71,903,432
Property, plant and equipment, net	81,772,991	38,264	-	-	81,811,255
Other assets					
Note receivable, less allowance of $800,000 in 2010	457,534	-	-	-	457,534
Unamortized debt issuance costs	955,800	-	-	-	955,800
	1,413,334	-	-	-	1,413,334
Assets whose use is limited					
Pension and insurance obligations	11,755,719	-	-	-	11,755,719
Board-designated and donor-restricted investments	61,334,647	-	-	-	61,334,647
Held by trustee under revenue bond agreement	5,175,416	-	-	-	5,175,416
Total assets whose use is limited	78,265,782	-	-	-	78,265,782
Total assets	$ 232,863,477	$ 264,077	$ 266,249	$ -	$ 233,393,803
Liabilities and Net Assets					
Current liabilities					
Current portion of long-term debt	$ 1,360,000	$ -	$ -	$ -	$ 1,360,000
Accounts payable and accrued expenses	13,606,903	7,702	-	-	13,614,605
Accrued salaries, wages and related accounts	11,428,294	-	-	-	11,428,294
Amounts payable to third-party payors	1,163,729	-	-	-	1,163,729
Notes payable	7,196,173	-	-	-	7,196,173
Amounts due to affiliates	1,266,586	(9,873)	-	-	1,256,713
Total current liabilities	36,021,685	(2,171)	-	-	36,019,514
Accrued pension and other liabilities, net of current portion	79,796,270	43	-	-	79,796,313
Long-term debt, net of current portion	63,546,644	-	-	-	63,546,644
Total liabilities	179,364,599	(2,128)	-	-	179,362,471
Commitments and contingencies					
Net assets					
Unrestricted	46,874,594	266,205	266,249	-	47,407,048
Temporarily restricted	357,814	-	-	-	357,814
Permanently restricted	6,266,470	-	-	-	6,266,470
Total net assets	53,498,878	266,205	266,249	-	54,031,332
Total liabilities and net assets	$ 232,863,477	$ 264,077	$ 266,249	$ -	$ 233,393,803

Catholic Medical Center and Subsidiaries
Consolidating Statement of Operations
Year Ended June 30, 2011

	Catholic Medical Center	CMC Associates	New England Heart Institute Foundation	Eliminations	Total
Operating revenue					
Net patient service revenue	$ 294,570,757	$ -	$ -	$ -	$ 294,570,757
DSH funding	12,027,952	-	-	-	12,027,952
Other revenue	5,013,015	344,342	3,276	-	5,360,633
Total operating revenue	311,611,724	344,342	3,276	-	311,959,342
Operating expenses					
Salaries, wages and fringe benefits	150,560,438	75,510	-	-	150,635,948
Supplies and other expenses	100,757,135	239,090	3,160	-	100,999,385
Medicaid enhancement tax	12,521,429	-	-	-	12,521,429
Provision for bad debts	23,309,455	-	-	-	23,309,455
Depreciation and amortization	10,791,993	5,563	-	-	10,797,556
Interest	2,798,611	-	-	-	2,798,611
Total operating expenses	300,739,061	320,163	3,160	-	301,062,384
Income from operations	10,872,663	24,179	116	-	10,896,958
Nonoperating gains (losses)					
Investment income	1,980,705	138	1,480	-	1,982,323
Net realized gains on sales of investments	2,003,005	-	-	-	2,003,005
Loss on sale of property and equipment	(15,946)	-	-	-	(15,946)
Nonoperating gains, net	3,967,764	138	1,480	-	3,969,382
Excess of revenue over expenses	14,840,427	24,317	1,596	-	14,866,340
Other changes in net assets					
Change in unrealized appreciation on investments	9,794,325	-	-	-	9,794,325
Assets released from restrictions used for capital	19,980	-	-	-	19,980
Pension-related changes other than net periodic pension cost	29,331,769	-	-	-	29,331,769
Adoption of new accounting principle - goodwill impairment	(12,496)	-	-	-	(12,496)
Net assets transferred to affiliates	(7,530,577)	-	(267,846)	-	(7,798,423)
Increase (decrease) in unrestricted net assets	$ 46,443,428	$ 24,317	$ (266,250)	$ -	$ 46,201,495

Catholic Medical Center and Subsidiaries
Consolidating Statement of Operations
Year Ended June 30, 2010

	Catholic Medical Center	CMC Associates	New England Heart Institute Foundation	Eliminations	Total
Operating revenue					
Net patient service revenue	$ 270,543,220	$ -	$ -	$ -	$ 270,543,220
DSH funding	11,926,981	-	-	-	11,926,981
Other revenue	4,669,783	342,328	2,315		5,014,426
Total operating revenue	287,139,984	342,328	2,315	-	287,484,627
Operating expenses					
Salaries, wages and fringe benefits	136,523,733	68,735	-	-	136,592,468
Supplies and other expenses	98,091,904	219,119	24,100	-	98,335,123
Medicaid enhancement tax	11,926,981	-	-	-	11,926,981
Provision for bad debts	18,065,551	-	-	-	18,065,551
Depreciation and amortization	10,542,946	5,563	-	-	10,548,509
Interest	2,960,086	-	-	-	2,960,086
Total operating expenses	278,111,201	293,417	24,100	-	278,428,718
Income from operations	9,028,783	48,911	(21,785)	-	9,055,909
Nonoperating gains					
Investment income	970,947	185	3,962	-	975,094
Net realized gains on sales of investments (including other-than-temporary impairment of $94,000 in 2010)	1,383,040	-	-	-	1,383,040
Nonoperating gains, net	2,353,987	185	3,962	-	2,358,134
Excess (deficit) of revenue over expenses	11,382,770	49,096	(17,823)	-	11,414,043
Other changes in net assets					
Change in unrealized appreciation on investments	3,794,694	-	-	-	3,794,694
Assets released from restrictions used for capital	42,520	-	-	-	42,520
Pension-related changes other than net periodic pension cost	(17,483,749)	-	-	-	(17,483,749)
Net assets transferred to affiliates	(7,751,373)	-	-	-	(7,751,373)
Increase (decrease) in unrestricted net assets	$ (10,015,138)	$ 49,096	$ (17,823)	$ -	$ (9,983,865)

Additional Data

Software ID:
Software Version:
EIN: 02-0315693
Name: CATHOLIC MEDICAL CENTER

Form 990, Part VII - Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
ALYSON PITMAN GILES PRESIDENT & CEO	60 00	X		X				749,399	0	371,016
CONNOR J HAUGH DIRECTOR	1 00	X						0	611,034	16,790
WILLIAM CLUTTERBUCK DIRECTOR	1 00	X						0	353,421	29,595
GUY D CHAPDELAINE CHAIR	1 00	X		X				0	0	0
STEPHEN CAMANN VICE CHAIR	1 00	X		X				0	0	0
JOSEPH GRAHAM TREASURER	1 00	X		X				0	0	0
MSGR JOHN P QUINN SECRETARY	1 00	X		X				0	0	0
ADELE BOUFFORD BAKER DIRECTOR	1 00	X						0	0	0
GARY BOUCHARD PHD DIRECTOR	1 00	X						0	0	0
SUZANNA D MAJEWSKI DIRECTOR	1 00	X						0	0	0
PAUL S BOYNTON DIRECTOR	1 00	X						0	0	0
SUZANNE K MELLON PHD RN DIRECTOR	1 00	X						0	0	0
DARYL J CADY DIRECTOR	1 00	X						0	0	0
MARGARET-ANN MORAN ESQ DIRECTOR	1 00	X						0	0	0
ANNE M O'CONNOR MD DIRECTOR	1 00	X						0	0	0
ELEANOR WM DAHAR ESQ DIRECTOR	1 00	X						0	0	0
RONALD J RIOUX DIRECTOR	1 00	X						0	0	0
JEROME DUVAL DIRECTOR	1 00	X						0	0	0
KEITH A STAHL MD DIRECTOR	1 00	X						0	251,327	27,443
JEFF EISENBERG DIRECTOR	1 00	X						0	0	0
REV GAYLE WHITTEMORE DIRECTOR	1 00	X						0	0	0
RAEF FAHMY DPM DIRECTOR	40 00	X						56,612	0	0
BISHOP FRANCIS J CHRISTIAN DIRECTOR	1 00	X						0	0	0
BENJAMIN WESTBROOK DIRECTOR	1 00	X						0	0	0
KATHLEEN ZAFFINO MD DIRECTOR	1 00	X						0	0	0

Form 990, Part VII - Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
RAYMOND BONITO EXEC VP	50 00			X				407,078	0	133,639
ALLEN ERICSON COO	50 00			X				342,167	0	49,551
JOSEPH PEPE CHIEF MEDICAL OFFICER	40 00					X		319,480	0	12,434
ROBERT DUHAIME CHIEF NURSE EXEC	40 00					X		236,803	0	26,369
BRIAN TEW CIO	40 00					X		215,464	0	25,928
MARGO COMPAGNA VP, HUMAN RESOURCES	40 00					X		220,298	0	23,508
LISA ROUX COGGINS VP, SURGICAL SERVICES	40 00					X		195,617	0	14,740
KEVIN KILDAY FORMER CFO	0 00						X	344,398	0	44,045