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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 10-01-2010 and ending 09-30-2011

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

C Name of organization
Littleton Regional Hospital Association

Doing Business As

Number and street (or P O box if mail is not delivered to street address) 600 St Johnsbury Road | Room/suite

City or town, state or country, and ZIP + 4
Littleton, NH 03561

D Employer identification number
02-0222152

E Telephone number
(603)444-9000

G Gross receipts $ 85,587,934

F Name and address of principal officer
Robert Fotter
600 St Johnsbury Road
Littleton, NH 03561

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 ▶

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

J Website: ▶ www littletonhospital org

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶ | **L** Year of formation 1906 | **M** State of legal domicile NH

Part I Summary

1 Briefly describe the organization's mission or most significant activities
To provide health care services in Northern New Hampshire

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**	14
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	10
5	Total number of individuals employed in calendar year 2010 (Part V, line 2a)	**5**	483
6	Total number of volunteers (estimate if necessary)	**6**	192
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	38,311
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	-45,249

		Prior Year	Current Year
Revenue	**8** Contributions and grants (Part VIII, line 1h)	79,016	52,337
	9 Program service revenue (Part VIII, line 2g)	67,664,227	68,077,388
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	892,531	1,108,132
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	0	0
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	68,635,774	69,237,857
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)	36,980,445	37,755,272
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b Total fundraising expenses (Part IX, column (D), line 25) ▶0		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	29,775,137	27,973,558
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	66,755,582	65,728,830
	19 Revenue less expenses Subtract line 18 from line 12	1,880,192	3,509,027

		Beginning of Current Year	End of Year
Net Assets or Fund Balances	**20** Total assets (Part X, line 16)	79,806,884	79,535,723
	21 Total liabilities (Part X, line 26)	45,277,178	43,998,340
	22 Net assets or fund balances Subtract line 21 from line 20	34,529,706	35,537,383

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

****** | 2012-08-06
Signature of officer | Date

Robert Fotter 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
Rachel Williamson CPA	Rachel Williamson CPA	2012-08-06	☐	

Firm's name ▶ Berry Dunn McNeil & Parker LLC | Firm's EIN ▶

Firm's address ▶ 1000 Elm Street 15th Floor
Manchester, NH 03101 | Phone no ▶ (603) 669-7337

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

To provide quality, compassionate and accessible healthcare in a manner that brings value to all To offer a full spectrum of services, including acute primary and selected secondary care, 24-hour emergency services, preventive diagnostic, theraputic, and rehabilitative services on an outpatient and inpatient basis, continuity of care from preventive programs to coordination with home health services To provide these services without regard to race, religion, age, sex, income, creed, national origin, or disability To maintain a sufficient number and mix of medical staff who are competent, dedicated and commmunity based, supporting them with the technologically up-to-date equipment and facility needed to provide these services competitively To create a healthy, satisfying work environment for phsycians, nurses and other employees, with a commitment to support the continuing educational needs of its professional staff, including the physicians, nurses and allied health personnel

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 $ 53,003,871 including grants of $) (Revenue $ 68,039,077)

Littleton Regional Hospital provides health care services on an in/outpatient basis to the general public, including charity care, community education, and various other health programs and services

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

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

4d Other program services (Describe in Schedule O)

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

4e **Total program service expenses** ▶ $ 53,003,871

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**	Yes	
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**		No
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**		No
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**		No
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	126		
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		
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	483		
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 14		
b	Enter the number of voting members included in line 1a, above, who are independent	1b 10		
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		No
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		No
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		
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 ▶

Robert Fotter CFO
600 St Johnsbury Rd
Littleton, NH 03561
(603) 444-9000

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			
(1) John Starr Chairman	1 00	X		X				0	0	0
(2) William Bedor Vice Chairman	1 00	X		X				0	0	0
(3) Stevan Trooboff Treasurer	1 00	X		X				0	0	0
(4) Mell Brooks Secretary	1 00	X		X				0	0	0
(5) Milton Bratz Trustee	1 00	X						0	0	0
(6) George Brodeur Trustee	27 00	X						84,371	0	0
(7) Edward Duffy MD Trustee/Physician	40 00	X						316,121	0	54,337
(8) Nicholas Marks MD Chief of Staff	40 00	X						306,596	0	66,204
(9) Deane Rankin MD Trustee	40 00	X						347,365	0	59,236
(10) Anna Rioux Trustee	1 00	X						0	0	0
(11) Wayne Rioux Trustee	1 00	X						0	0	0
(12) Maggie Starr Axiliary Rep	1 00	X						0	0	0
(13) Guilbert Vickery Trustee	1 00	X						0	0	0
(14) Charles Walcott MD Trustee	1 00	X						0	0	0
(15) Susan Presby Past Trustee	1 00	X						0	0	0
(16) Warren West CEO	40 00			X				293,337	0	54,820

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			
(17) Robert Fotter CFO	40 00			X				185,196	0	25,252
(18) Linda Gilmore CAO/CNO	40 00			X				194,151	0	42,572
(19) Lon Howard Physician	40 00					X		580,888	0	67,546
(20) Harlan Herr Physician	40 00					X		515,275	0	44,931
(21) David Lovejoy Physician	40 00					X		431,581	0	55,978
(22) Andrew Forrest Physician	40 00					X		320,117	0	38,457
(23) Michael Kindred Physician	40 00					X		363,410	0	50,845
1b **Sub-Total** . . . . . ▶										
c **Total from continuation sheets to Part VII, Section A** . . . . ▶										
d **Total (add lines 1b and 1c)** . . . . . ▶								3,938,408	0	560,178

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 ▶ 44

			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**		No
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
Sheehan Phinney Bass & Green 1000 Elm Street PO Box 3701 Manchester, NH 03101	Legal Services	510,914
On Assignment Inc File 54318 Los Angeles, CA 90074	Provide Temporary Clinical Staff	419,842
Vista Staffing Solutions Inc File 50834 Los Angeles, CA 90074	Provide Locum Tenens	391,780
Community Hosp Advisors LLC 302 Summer Ave Reading, MA 01867	Consulting Services	344,632
Quorum Health Resources Inc 105 Continental Place Brentwood, NH 37027	Consulting Services	315,526

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 ▶ 5

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	49,856				
	e Government grants (contributions) 1e					
	f All other contributions, gifts, grants, and similar amounts not included above 1f	2,481				
	g Noncash contributions included in lines 1a-1f $					
	h **Total.** Add lines 1a-1f . . . . . ▶		52,337			
Program Service Revenue		Business Code				
	2a Patient Service Revenu	900099	66,514,542	66,514,542		
	b Miscellaneous	900099	664,815	664,815		
	c Cafeteria	900099	435,338	435,338		
	d Other Income	900099	202,815	202,815		
	e Contract Lab	621500	137,286	98,975	38,311	
	f All other program service revenue		122,592	122,592		
	g **Total.** Add lines 2a–2f . . . . . ▶		68,077,388			
	3 Investment income (including dividends, interest and other similar amounts) . . . . . ▶		477,331			477,331
	4 Income from investment of tax-exempt bond proceeds . . ▶					
	5 Royalties . . . . . ▶					
		(i) Real	(ii) Personal			
	6a Gross Rents					
	b Less rental expenses					
	c Rental income or (loss)					
	d Net rental income or (loss) . . . . . ▶					
		(i) Securities	(ii) Other			
	7a Gross amount from sales of assets other than inventory	16,974,673	6,205			
	b Less cost or other basis and sales expenses	16,318,076	32,001			
	c Gain or (loss)	656,597	-25,796			
	d Net gain or (loss) . . . . . ▶		630,801			630,801
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 _____					
	b _____					
	c _____					
	d All other revenue					
	e **Total.** Add lines 11a–11d . . . . . ▶					
	12 **Total revenue.** See Instructions . . . ▶		69,237,857	68,039,077	38,311	1,108,132

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	1,945,187		1,945,187	
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	26,097,830	23,593,608	2,504,222	
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	1,029,237	920,085	109,152	
9 Other employee benefits	4,173,691	3,760,768	412,923	
10 Payroll taxes	4,509,327	4,259,405	249,922	
a Fees for services (non-employees) Management				
b Legal	696,392		696,392	
c Accounting	69,166		69,166	
d Lobbying				
e Professional fundraising services *See Part IV, line 17*				
f Investment management fees	162,861		162,861	
g Other				
12 Advertising and promotion	143,373		143,373	
13 Office expenses	8,947,376	8,779,434	167,942	
14 Information technology				
15 Royalties				
16 Occupancy	1,713,372	596,062	1,117,310	
17 Travel	46,329	25,810	20,519	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	97,019		97,019	
20 Interest	801,147	801,147		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	3,923,512	3,923,512		
23 Insurance	355,075		355,075	
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 Contract Wages	2,632,220	2,062,033	570,187	
b Purchased Services	2,141,282	1,407,605	733,677	
c Equipment Rental & Main	1,548,186	876,132	672,054	
d Information System Supp	666,782	187,350	479,432	
e Collection Fees	556,436	27,157	529,279	
f All other expenses	3,473,030	1,783,763	1,689,267	
25 **Total functional expenses.** Add lines 1 through 24f	65,728,830	53,003,871	12,724,959	0
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		3,000	1	2,915
	2	Savings and temporary cash investments		8,253,747	2	10,606,310
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		9,313,655	4	7,871,050
	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		-1,884	7	155,762
	8	Inventories for sale or use		1,167,509	8	1,264,831
	9	Prepaid expenses and deferred charges		1,638,939	9	943,453
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 70,957,182			
	b	Less accumulated depreciation	10b 28,932,078	41,091,824	10c	42,025,104
	11	Investments—publicly traded securities		17,497,603	11	16,400,352
	12	Investments—other securities See Part IV, line 11		0	12	
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		842,491	15	265,946
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		79,806,884	16	79,535,723
Liabilities	17	Accounts payable and accrued expenses		7,227,912	17	5,805,862
	18	Grants payable			18	
	19	Deferred revenue		779,119	19	551,071
	20	Tax-exempt bond liabilities		29,725,000	20	29,150,000
	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	
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities Complete Part X of Schedule D		7,545,147	25	8,491,407
	26	**Total liabilities.** Add lines 17 through 25		45,277,178	26	43,998,340
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		33,708,016	27	34,807,491
	28	Temporarily restricted net assets		168,060	28	126,032
	29	Permanently restricted net assets		653,630	29	603,860
		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		34,529,706	33	35,537,383
	34	Total liabilities and net assets/fund balances		79,806,884	34	79,535,723

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	69,237,857
2	Total expenses (must equal Part IX, column (A), line 25)	2	65,728,830
3	Revenue less expenses Subtract line 2 from line 1	3	3,509,027
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . .	4	34,529,706
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-2,501,350
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	35,537,383

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		No
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		

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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
Littleton Regional Hospital Association

Employer identification number
02-0222152

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).

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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
Littleton Regional Hospital Association	02-0222152

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		14,034
j	Total lines 1c through 1i			14,034
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	Littleton Regional Hospital 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 Littleton Regional Hospital and other member organizations in furtherance of their exempt purposes Littleton Regional Hospital does not directly perform any lobbying activities

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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
Littleton Regional Hospital Association

Employer identification number
02-0222152

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	767,249	728,305	739,898		
b Contributions			9,683		
c Investment earnings or losses	-48,189	49,089	-21,200		
d Grants or scholarships					
e Other expenditures for facilities and programs	1,115	10,145	75		
f Administrative expenses					
g End of year balance	717,945	767,249	728,306		

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

- a Board designated or quasi-endowment ▶
- b Permanent endowment ▶ 84 110 %
- c Term endowment ▶ 15 890 %

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		786,809		786,809
b Buildings		37,441,730	14,594,875	22,846,855
c Leasehold improvements				
d Equipment		24,815,100	13,910,810	10,904,290
e Other		7,913,543	426,393	7,487,150
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				42,025,104

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	
Reserve for Self-Funded Health Insurance	1,015,000
Due to Third Party Payers	2,945,673
Deferred Compensation	661,382
Interest Rate Swap	3,869,352
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	8,491,407

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	69,237,857
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	65,728,830
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	3,509,027
4	Net unrealized gains (losses) on investments	4	-1,897,688
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	-603,662
9	Total adjustments (net) Add lines 4 - 8	9	-2,501,350
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	1,007,677

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	66,104,174
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	-1,897,688		
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	-1,897,688
3	Subtract line **2e** from line **1**			3	68,001,862
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	162,861		
b	Other (Describe in Part XIV)	4b	1,073,134		
c	Add lines **4a** and **4b**			4c	1,235,995
5	Total Revenue Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12)			5	69,237,857

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

1	Total expenses and losses per audited financial statements			1	65,096,497
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	0
3	Subtract line **2e** from line **1**			3	65,096,497
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	162,861		
b	Other (Describe in Part XIV)	4b	469,472		
c	Add lines **4a** and **4b**			4c	632,333
5	Total expenses Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18)			5	65,728,830

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
Part XI, Line 8 - Other Adjustments		Loss on Interest Rate Swap -603,662
Part XII, Line 4b - Other Adjustments		Foundation Subsidy 41,518 Unrealized Gain on Interest Rate Swap 603,661 Community Benefit 427,955
Part XIII, Line 4b - Other Adjustments		Foundation Subsidy 41,518 Community Benefit 427,954

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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
Littleton Regional Hospital Association

Employer identification number
02-0222152

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	Yes	
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	Yes	
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		No
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)			1,784,528		1,784,528	2 710 %
b Unreimbursed Medicaid (from Worksheet 3, column a)			1,629,634		1,629,634	2 480 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs			3,414,162		3,414,162	5 190 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)			160,303		160,303	0 240 %
f Health professions education (from Worksheet 5)			66,322		66,322	0 100 %
g Subsidized health services (from Worksheet 6)			268,953		268,953	0 410 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions to community groups (from Worksheet 8)			85,994		85,994	0 130 %
j **Total** Other Benefits			581,572		581,572	0 880 %
k **Total.** Add lines 7d and 7j			3,995,734		3,995,734	6 070 %

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			831		831	0 %
4	Environmental improvements			33,070		33,070	0 050 %
5	Leadership development and training for community members						
6	Coalition building			19,106		19,106	0 030 %
7	Community health improvement advocacy						
8	Workforce development			2,410		2,410	0 %
9	Other						
10	**Total**			55,417		55,417	0 080 %

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	4,076,025		
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	20,101,873
6	Enter Medicare allowable costs of care relating to payments on line 5	6	20,101,873
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	
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	Littleton Regional Hospital 600 St Johnsbury Road Littleton, NH 03561	X	X			X		X		

Part V **Facility Information** *(continued)*

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? **3**

	Name and address	Type of Facility (Describe)
1	Littleton Rehabilitative Services 551 Meadow Street Littleton, NH 03561	Rehabilitation Clinic
2	Littleton Rehabilitative Services 551 Meadow Street Littleton, NH 03561	Rehabilitation Clinic
3	Littleton Rehabilitative Services 551 Meadow Street Littleton, NH 03561	Rehabilitation Clinic
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 I, Line 7 The Hospital determines its cost of charity care based on an overall financial statement cost to charge ratio applied against gross charity care charges

Identifier	ReturnReference	Explanation
		Part I, Line 7g Paramedic Intercept Program

Identifier	ReturnReference	Explanation
		Part I, L7 Col(f) The Hospital has recorded $4,076,025 of Bad Debt Expense included on Form 990, Part VIII, which has been subtracted for purposes of calculating the percentage in this column

Identifier	ReturnReference	Explanation
		Part III, Line 4 Management provides for probable uncollectible amounts through a charge to operations and a credit to a valuation allowance based on its assessment of individual accounts and historical adjustments Balances that are still outstanding, after management has used reasonable collection efforts, are written off through a charge to the valuation allowance and a credit to patient accounts receivable The valuation of charity care does not include any bad debt receivables or revenue

Identifier	ReturnReference	Explanation
		Part VI, Line 2 The Littleton Regional Hospital Community is defined as all people living in the communities listed in Part XI, Line 4 These communities were chosen by their geographic proximity to the Hospital and to the services and programs provided

Identifier	ReturnReference	Explanation
		Part VI, Line 3 Any applicant will receive a prompt decision on eligibility and amount of charity care offered Notices of the Charity Care Policy are posted in the lobbies, waiting rooms and other public areas Notices are also given to recipients who are served in their homes

Identifier	ReturnReference	Explanation
		Part VI, Line 4 The Hospital's primary service area includes Littleton, Bethlehem, Lisbon, Franconia and Sugar Hill The secondary service area includes Whitefield, Lancaster, Goveton, Monroe, North Woodstock, Lincoln, Woodsville and Bath (all in NH), and St Johnsbury, Lunenberg, Lyndonville, Concord, Gilman (all in VT) The area spans across a good majority of Northern New Hampshire and the Northeast Kingdom of Vermont

Identifier	ReturnReference	Explanation
Reports Filed With States	Part VI, Line 7	NH

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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
Littleton Regional Hospital Association

Employer identification number
02-0222152

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**		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**		No
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**		No
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) Edward Duffy MD	(i)	261,821	0	54,300	12,250	42,087	370,458	0
	(ii)	0	0	0	0	0	0	0
(2) Nicholas Marks MD	(i)	306,596	0	0	12,250	53,954	372,800	0
	(ii)	0	0	0	0	0	0	0
(3) Deane Rankin MD	(i)	307,461	33,654	6,250	0	59,236	406,601	0
	(ii)	0	0	0	0	0	0	0
(4) Warren West	(i)	270,651	16,686	6,000	12,250	42,570	348,157	0
	(ii)	0	0	0	0	0	0	0
(5) Robert Fotter	(i)	179,917	5,279	0	6,279	18,973	210,448	0
	(ii)	0	0	0	0	0	0	0
(6) Linda Gilmore	(i)	188,740	5,411	0	9,885	32,687	236,723	0
	(ii)	0	0	0	0	0	0	0
(7) Lon Howard	(i)	520,899	55,239	4,750	0	67,546	648,434	0
	(ii)	0	0	0	0	0	0	0
(8) Harlan Herr	(i)	515,275	0	0	12,250	32,681	560,206	0
	(ii)	0	0	0	0	0	0	0
(9) David Lovejoy	(i)	414,081	17,000	500	12,250	43,728	487,559	0
	(ii)	0	0	0	0	0	0	0
(10) Andrew Forrest	(i)	277,606	9,356	33,155	12,250	26,207	358,574	0
	(ii)	0	0	0	0	0	0	0
(11) Michael Kindred	(i)	300,167	43,243	20,000	12,250	38,595	414,255	0
	(ii)	0	0	0	0	0	0	0
(12)								
(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

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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
Littleton Regional Hospital Association

Employer identification number
02-0222152

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	Business Finance Authority of the State of New Hampshire	52-1304598	64468kbg0	11-15-2007	30,000,000	Refunded series 1998A and 1998B Bonds		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	30,000,000			
4	Gross proceeds in reserve funds				
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrow	17,757,778			
7	Issuance costs from proceeds	274,108			
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds	11,968,114			
11	Other spent proceeds				
12	Other unspent proceeds				
13	Year of substantial completion	2007			

		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						
15	Were the bonds issued as part of an advance refunding issue?	X							
16	Has the final allocation of proceeds been made?	X							
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X							

Part III Private Business Use

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

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						
b	Are there any research agreements that may result in private business use of bond-financed property?		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?								
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 ▶								
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 ▶								
6	Total of lines 4 and 5								
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?		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						
2	Is the bond issue a variable rate issue?		X						
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?		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						
b	Name of provider								
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
5	Were any gross proceeds invested beyond an available temporary period?		X						
6	Did the bond issue qualify for an exception to rebate?		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

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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
Littleton Regional Hospital Association

Employer identification number
02-0222152

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	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	From	(c) Original principal amount	(d) Balance due	(e) In default? Yes	No	(f) Approved by board or committee? Yes	No	(g) Written agreement? Yes	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
(1) George Brodeur	Trustee	84,371	George Brodeur is the Owner's Representative for Littleton Regional Hospital's building project He became a member of the Board of Trustees in September 2010 and was paid as an independent contractor for his services		No

Part V Supplemental Information

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

Identifier	Return Reference	Explanation

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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
Littleton Regional Hospital Association

Employer identification number
02-0222152

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 6		All persons making an annual contribution to Littleton Regional Hospital or Littleton Regional Hospital Charitable Foundation, who are at least eighteen (18) years of age, or any legal adult resident of any town raising an annual appropriation to the Littleton Regional Hospital shall thereupon, and without further election or action by the Association, automatically become a member of the Association Failure to contribute to the Hospital or Foundation in the following fiscal year shall automatically terminate the membership

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 7a		Each member of the Association shall be qualified to originate and take part in the discussion of any subject that may properly come before any meeting of the Association, to vote on such subject, and to hold any office in the Association to which he or she may be elected or appointed

Identifier	Return Reference	Explanation
Form 990, Part VI, Section B, line 11		The return was reviewed by the entire Board of Directors prior to the filing

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section B, line 12c	All Trustees, Department directors and Auxiliians complete a Conflict of Interest Statement each year, and any potential conflicts are reported to the Board of Trustees and to other places as required by law In addition, front-line employees who don't normally make decisions for the facility are expected to report forward any conflicts they may have, should they ever be in a position to influence decision making Quality Services queries these groups on an annual basis, and tracks down people until all statements are complete

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section B, line 15	Key employees complete self-evaluation - HR Director prepares compensation surveys, reviews 990 of other organizations The CFO's salary is approved by the CEO The CEO's salary is approved by the Board

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section C, line 19	The hospital's governing documents and financial statements are made available upon request The hospital's conflict of interest policy is not made available to the public

Identifier	Return Reference	Explanation
Changes in Net Assets or Fund Balances	Form 990, Part XI, line 5	Net unrealized losses on investments -1,897,688 Loss on Interest Rate Swap -603,662 Total to Form 990, Part XI, Line 5 -2,501,350

Identifier	Return Reference	Explanation
	Form 990, Part XII, Line 2c	The organization has not changed its oversight or selection process during the tax year

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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
Littleton Regional Hospital Association

Employer identification number
02-0222152

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
(1) Littleton Regional Hospital Charitable Foundation 600 St Johnsbury Road Littleton, NH 03561 04-3750643	Charitable Foundation	NH	501(c)(3)	Line 7			No

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) Disproprtionate 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

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

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**	**No**
j	Lease of facilities, equipment, or other assets from other organization(s)	**1j**	**No**
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**	**No**
n	Sharing of paid employees	**1n**	**No**
o	Reimbursement paid to other organization for expenses	**1o**	**No**
p	Reimbursement paid by other organization for expenses	**1p**	**No**
q	Other transfer of cash or property to other organization(s)	**1q**	**No**
r	Other transfer of cash or property from other organization(s)	**1r**	**No**

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)				
(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

BerryDunn

LITTLETON
REGIONAL HOSPITAL
A Critical Access Hospital

LITTLETON REGIONAL HOSPITAL AND SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS

and

SUPPLEMENTARY INFORMATION

With Independent Auditors' Report

September 30, 2011 and 2010

LITTLETON REGIONAL HOSPITAL AND SUBSIDIARY

September 30, 2011 and 2010

Table of Contents

BerryDunn

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Littleton Regional Hospital

We have audited the accompanying consolidated balance sheets of Littleton Regional Hospital and Subsidiary as of September 30, 2011 and 2010, and the related consolidated statements of operations, changes in net assets and cash flows for the years then ended These consolidated financial statements are the responsibility of Littleton Regional Hospital and Subsidiary's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with U.S. generally accepted auditing standards. 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. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Littleton Regional Hospital and Subsidiary as of September 30, 2011 and 2010, and the consolidated results of its operations, consolidated changes in its net assets and its consolidated cash flows for the years then ended, in conformity with U S. generally accepted accounting principles

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Schedules 1 through 3 is presented for purposes of additional analysis and is not a required part of the basic financial statements Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole

Berry Dunn McNeil & Parker, LLC

Manchester, New Hampshire
December 15, 2011

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Littleton Regional Hospital

We have audited the accompanying consolidated balance sheets of Littleton Regional Hospital and Subsidiary as of September 30, 2011 and 2010, and the related consolidated statements of operations, changes in net assets and cash flows for the years then ended. These consolidated financial statements are the responsibility of Littleton Regional Hospital and Subsidiary's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with U.S generally accepted auditing standards. 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 An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Littleton Regional Hospital and Subsidiary as of September 30, 2011 and 2010, and the consolidated results of its operations, consolidated changes in its net assets and its consolidated cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Schedules 1 through 3 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Berry Dunn McNeil & Parker, LLC

Manchester, New Hampshire
December 15, 2011

LITTLETON REGIONAL HOSPITAL AND SUBSIDIARY

Consolidated Balance Sheets

September 30, 2011 and 2010

ASSETS

	2011	2010
Current assets		
Cash and cash equivalents	**$ 9,302,780**	$ 7,690,781
Patient accounts receivable, net	**7,871,050**	9,313,655
Supplies	**1,264,831**	1,167,509
Prepaid expenses and other current assets	**1,159,656**	1,692,684
Assets limited as to use, current portion	**553,875**	592,402
Total current assets	**20,152,192**	20,457,031
Assets limited as to use, less current portion	**18,163,200**	18,621,696
Property and equipment, net	**42,025,104**	41,093,746
Deferred financing costs, net	**163,436**	181,186
Total assets	**$ 80,503,932**	$ 80,353,659

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

LIABILITIES AND NET ASSETS

	2011	2010
Current liabilities		
Current portion of long-term debt	**$ 600,000**	$ 575,000
Accounts payable and other accrued expenses	**3,442,730**	5,583,748
Accrued salaries, wages and related accounts	**2,363,132**	1,644,164
Other current liabilities	**556,431**	787,156
Due to third-party payors	**2,945,673**	2,573,832
Reserve for self-funded health insurance	**1,015,000**	1,147,000
Total current liabilities	**10,922,966**	12,310,900
Deferred compensation	**661,382**	558,624
Long-term debt, less current portion	**28,550,000**	29,150,000
Interest rate swap	**3,869,352**	3,265,691
Total liabilities	**44,003,700**	45,285,215
Commitments and contingencies (Notes 4, 8 and 14)		
Net assets		
Unrestricted	**34,936,714**	33,858,129
Temporarily restricted	**228,870**	257,969
Permanently restricted	**1,334,648**	952,346
Total net assets	**36,500,232**	35,068,444
Total liabilities and net assets	**$80,503,932**	$ 80,353,659

LITTLETON REGIONAL HOSPITAL AND SUBSIDIARY

Consolidated Statements of Operations

Years Ended September 30, 2011 and 2010

	2011	2010
Unrestricted revenues, gains (losses) and other support		
Patient service revenue (net of contractuals and discounts)	**$70,727,853**	$66,353,220
Less provision for bad debts	**4,076,025**	2,765,445
Net patient service revenue	**66,651,828**	63,587,775
Other operating revenues	**1,425,560**	1,311,007
Loss on sale of property and equipment	**(25,796)**	(33,073)
Net assets released from restrictions used in operations	**103,222**	75,946
Total unrestricted revenues, gains (losses) and other support	**68,154,814**	64,941,655
Expenses		
Salaries and wages	**27,773,038**	25,870,995
Employee benefits	**7,183,217**	8,100,421
Supplies and other	**22,598,491**	22,839,878
Medicaid Enhancement Tax	**2,910,852**	3,048,953
Depreciation and amortization	**3,925,435**	3,411,439
Interest	**801,148**	604,050
Total expenses	**65,192,181**	63,875,736
Operating income	**2,962,633**	1,065,919
Nonoperating gains (losses)		
Income from investments	**475,612**	493,506
Unrestricted gifts	**18,560**	26,616
Net realized and unrealized (losses) gains on investments	**(1,186,857)**	913,072
Community benefit expense	**(432,082)**	-
Investment management fees	**(155,620)**	(139,219)
Unrealized loss on interest rate swap	**(603,661)**	(1,052,788)
Nonoperating (losses) gains, net	**(1,884,048)**	241,187
Increase in unrestricted net assets	**$ 1,078,585**	$ 1,307,106

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

LITTLETON REGIONAL HOSPITAL AND SUBSIDIARY

Consolidated Statements of Changes in Net Assets

Years Ended September 30, 2011 and 2010

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Balances, October 1, 2009	$ 32,551,023	$ 245,642	$ 898,336	$ 33,695,001
Increase in unrestricted net assets	1,307,106	-	-	1,307,106
Contributions	-	58,613	11,262	69,875
Net realized and unrealized gains on investments	-	15,337	50,678	66,015
Investment income (loss), net of management fees of $10,115	-	14,323	(7,930)	6,393
Net assets released from restriction for operations	-	(75,946)	-	(75,946)
Increase in net assets	1,307,106	12,327	54,010	1,373,443
Balances, September 30, 2010	33,858,129	257,969	952,346	35,068,444
Increase in unrestricted net assets	**1,078,585**	-	-	**1,078,585**
Contributions	-	**70,614**	**499,243**	**569,857**
Net realized and unrealized losses on investments	-	**(25,196)**	**(104,680)**	**(129,876)**
Investment income (loss), net of management fees of $14,553	-	**28,705**	**(12,261)**	**16,444**
Net assets released from restriction for operations	-	**(103,222)**	-	**(103,222)**
Increase (decrease) in net assets	**1,078,585**	**(29,099)**	**382,302**	**1,431,788**
Balances, September 30, 2011	**$ 34,936,714**	**$ 228,870**	**$ 1,334,648**	**$ 36,500,232**

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

LITTLETON REGIONAL HOSPITAL AND SUBSIDIARY

Consolidated Statements of Cash Flows

Years Ended September 30, 2011 and 2010

	2011	2010
Cash flows from operating activities		
Change in net assets	**$ 1,431,788**	$ 1,373,443
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Provision for bad debts	**4,076,025**	2,765,445
Depreciation and amortization	**3,925,435**	3,411,439
Loss on sale of property and equipment	**25,796**	33,073
Net realized and unrealized losses (gains) on investments	**1,316,733**	(979,087)
Unrealized loss on interest rate swap	**603,661**	1,052,788
(Increase) decrease in assets		
Patients accounts receivable	**(2,633,420)**	(3,230,558)
Supplies	**(97,322)**	(13,969)
Prepaid expenses and other current assets	**533,028**	(654,210)
Increase (decrease) in liabilities		
Accounts payable and other accrued expenses	**(2,141,018)**	141,508
Accrued salaries, wages and related accounts	**718,968**	172,670
Other current liabilities	**(230,725)**	(59,784)
Due to third-party payors	**371,841**	165,158
Deferred compensation	**102,758**	153,729
Reserve for self-funded health insurance	**(132,000)**	372,000
Net cash provided by operating activities	**7,871,548**	4,703,645
Cash flows from investing activities		
Proceeds from sale of property and equipment	**6,205**	200
Purchases of investments	**(17,909,919)**	(3,960,047)
Proceeds from sale of investments	**17,090,209**	11,328,430
Purchases of property and equipment	**(4,871,044)**	(12,702,411)
Net cash used by investing activities	**(5,684,549)**	(5,333,828)
Cash flows from financing activities		
Payments on long-term debt	**(575,000)**	(275,000)
Net cash used by financing activities	**(575,000)**	(275,000)
Net increase (decrease) in cash and cash equivalents	**1,611,999**	(905,183)
Cash and cash equivalents, beginning of year	**7,690,781**	8,595,964
Cash and cash equivalents, end of year	**$ 9,302,780**	$ 7,690,781
Supplemental disclosures of cash flow information		
Interest paid	**$ 801,765**	$ 820,918
Property and equipment invoices included in accounts payable	**$ -**	$ 983,707

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

Organization

Littleton Hospital Association, Inc. (the Hospital) (d/b/a Littleton Regional Hospital and Subsidiary) (the Organization) is a New Hampshire not-for-profit corporation which operates a community oriented general hospital. The financial statements also include the Organization's subsidiary Littleton Regional Hospital Charitable Foundation (the Foundation), which raises funds primarily for the benefit of the Hospital

1. Summary of Significant Accounting Policies

Basis of Presentation

The Organization's financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-For-Profit Entities* Under FASB ASC 958, all not-for-profit organizations are required to provide a statement of financial position, a statement of operations, and a statement of cash flows. The Statement requires reporting amounts for the Organization's total assets, liabilities, and net assets in a balance sheet; reporting the change in an organization's net assets in a statement of operations; and reporting the change in its cash and cash equivalents in a statement of cash flows.

ASC 958 also requires net assets and its revenues, expenses, gains, and losses be classified based on the existence or absence of donor-imposed restrictions It requires that the amounts for each of the three classes of net assets - permanently restricted, temporarily restricted, and unrestricted - be displayed in a balance sheet and that the amounts of change in each of those classes of net assets be displayed in a statement of operations.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Hospital and its subsidiary. All significant intercompany balances and transactions have been eliminated in the consolidated financial statements.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Income Taxes

The Hospital and the Foundation are not-for-profit corporations as described in Section 501(c)(3) of the Code and are exempt from federal income taxes on related income.

Cash and Cash Equivalents

Cash and cash equivalents include money market funds with a maturity of three months or less when purchased. Cash and cash equivalents exclude assets whose use is limited by the Board of Trustees The Organization maintains its cash in deposit accounts which, at times, may exceed federal depository insurance limits. Management believes credit risk related to these investments is minimal. The Hospital has not experienced any losses in such accounts.

Patient Accounts Receivable

Patient accounts receivable are stated at the amount management expects to collect from outstanding balances Management provides for probable uncollectible amounts through a charge to operations and a credit to a valuation allowance based on its assessment of individual accounts and historical adjustments. Balances that are still outstanding, after management has used reasonable collection efforts, are written-off through a charge to the valuation allowance and a credit to patient accounts receivable.

In evaluating the collectibility of accounts receivable, the Hospital analyzes past results and identifies trends for each major payor source of revenue for the purpose of estimating the appropriate amounts of the allowance for doubtful accounts and the provision for bad debts. The adequacy of the allowance for doubtful accounts is regularly reviewed. For receivables associated with services provided to patients who have third-party coverage, the Hospital analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Hospital records a provision for bad debts in the period of service based on past experience, which indicates that many patients are unable or unwilling to pay amounts for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated or eligible) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged against the allowance for doubtful accounts.

Supplies

Supplies are carried at the lower of cost (determined by the first-in, first-out method) or market.

Investments and Investment Income

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the balance sheet. Management has adopted ASC 825-35-4 and has elected the fair value option relative to its investments which consolidates all investment performance activity within the nonoperating gains (losses) section of the statements of operations.

Donor-restricted investment income and gains (losses) on investments on donor-restricted investments are recorded within their respective net asset category until expended in accordance with the donor's restrictions.

Funds Held by Trustee Under Revenue Bond Agreement

Funds held by the trustee under the revenue bond agreement are comprised of cash and cash equivalents, short-term investments and a fixed income bond.

Property and Equipment

Property and equipment acquisitions are recorded at cost or, if contributed, at fair market value determined at the date of donation. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method. Equipment under capital lease obligations is amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. Such amortization is included in depreciation and amortization in the financial statements. Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets.

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

Deferred Financing Costs

The costs incurred to obtain bond financing and the related letter of credit are amortized over the repayment period of the bonds.

Employee Fringe Benefits

The Organization has an "earned time" plan to provide certain fringe benefits for its employees Under this plan, each employee "earns" paid leave each payroll period. Accumulated hours may be used for vacations, holidays or illnesses Hours earned, but not used, vest with the employees up to established limits. The Organization accrues the cost of these benefits as they are earned.

Interest Rate Swap

The Hospital uses an interest rate swap contract to eliminate the cash flow exposure of interest rate movements on variable-rate debt. The Hospital has adopted FASB ASC 815, *Derivatives and Hedging*, to account for its interest rate swap contract The interest rate swap is not considered a cash flow hedge, and thus is included within nonoperating gains (losses)

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by the Organization has been limited by donors to a specific time period or purpose When a donor restriction expires, that is, 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 statements of operations and changes in net assets as either net assets released from restrictions used for operations or net assets released from restrictions used for capital acquisition.

Permanently restricted net assets have been restricted by donors to be maintained by the Organization in perpetuity.

Nonoperating Gains (Losses)

Activities, other than in connection with providing health care services, are considered to be nonoperating. Nonoperating gains and losses consist primarily of income and gains and losses on invested funds, unrestricted gifts, community benefit expense, and unrealized loss on interest rate swap.

Net Patient Service Revenue

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges and per diem rates. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Donor-Restricted Gifts

Unconditional promises to give cash and other assets to the Organization are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. when a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of operations as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying financial statements.

Charity Care

The Organization provides care to patients who meet certain criteria under its charity care policy. Because the Organization does not pursue collection of amounts determined to qualify as charity care, they are not reported in net revenue.

New Accounting Pronouncement

In July 2011, FASB amended ASC 954, *Health Care Entities*, to require health care entities to change the presentation of the statement of operations by reclassifying the provision for bad debts associated with patient service revenue from an operating expense to a deduction from patient service revenue (net of contractual allowances and discounts). Additionally, enhanced disclosures are required about the policies for recognizing revenues and assessing bad debts. The amendments also require disclosure of qualitative and quantitative information about significant changes in the allowance for doubtful accounts. The amendments to ASC 954 are effective for public entities for the first annual period beginning after December 15, 2011. The Hospital elected to early adopt these amendments for fiscal year ended September 30, 2011. As a result, the 2010 financial statements have been restated for comparative purposes

Subsequent Events

For purposes of the preparation of these financial statements in conformity with GAAP, the Organization has considered transactions or events occurring through December 15, 2011, which was the date the financial statements were issued.

2. Net Patient Service Revenue and Patient Accounts Receivable

Net Patient Service Revenue

Net patient service revenue is reported net of contractual allowances and other discounts as follows for the years ended September 30 as follows:

	2011	2010
Gross patient service revenue		
Routine services	**$ 5,454,829**	$ 5,047,269
Ancillary services	**104,696,080**	102,322,114
	110,150,909	107,369,383
Less contractuals and discounts	**39,423,056**	41,016,163
Patient service revenue	**70,727,853**	66,353,220
Less provision for bad debts	**4,076,025**	2,765,445
Net patient service revenue	**$ 66,651,828**	$ 63,587,775

Patient Accounts Receivable

Patient accounts receivable are stated net of estimated contractual allowances and allowance for doubtful accounts, as follows, as of September 30:

		2011	2010
Patient accounts receivable		**$ 15,110,050**	$ 20,302,655
Less:	Estimated contractual allowances	**4,543,000**	7,035,000
	Estimated allowance for doubtful accounts	**2,696,000**	3,954,000
	Patient accounts receivable, net	**$ 7,871,050**	$ 9,313,655

During 2011, the Hospital decreased its estimate from $1,822,000 to $1,468,000 in the allowance for doubtful accounts relating to self-pay patients During 2011, self-pay write-offs increased from $3,708,000 to $5,939,000. Such increases and decreases resulted from trends experienced in the collection of amounts from self-pay patients and third-party payors and a change in write off practices.

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

Medicare

The Hospital is a Critical Access Hospital (CAH). Under the CAH program, the Hospital is reimbursed at 101% of allowable costs for its inpatient and most outpatient services provided to Medicare patients. The Hospital is reimbursed at tentative rates with final determination after submission of annual cost reports by the Hospital and audits thereof by the Medicare fiscal intermediary. The Organization's cost reports have been audited by the fiscal intermediary through September 30, 2008

Medicaid

Inpatient services rendered to Medicaid program beneficiaries are reimbursed under prospectively determined per discharge rates. The prospectively determined per discharge rates are not subject to retroactive adjustment Outpatient services rendered to Medicaid beneficiaries are reimbursed on a combination of prospectively determined fee schedules and a cost reimbursement methodology. The Organization is reimbursed for outpatient services at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicaid fiscal intermediary. The Hospital's cost reports have been audited by the fiscal intermediary through September 30, 2008.

Anthem

Inpatient and outpatient services rendered to Anthem subscribers are reimbursed based on standard charges less a negotiated discount, except for lab and radiology services which are reimbursed on fee schedules.

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

Revenue from the Medicare and Medicaid programs accounted for approximately 33% and 10%, respectively, of the Hospital's patient service revenue (net of contractuals and discounts) for the year ended September 30, 2011, and 26% and 10%, respectively, of the Hospital's patient service revenue (net of contractuals and discounts), for the year ended September 30, 2010 Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. The 2011 and 2010 net patient service revenue increased by approximately $1,939,900 and $785,800, respectively, due to differences in retroactive adjustments compared to amounts previously estimated.

The Hospital recognizes patient service revenue associated with services rendered to patients who have third-party payor coverage on the basis of contractual rates for such services. For uninsured patients that do not qualify for charity care, the Hospital recognizes revenue on the basis of its standard rates (or on the basis of discounted rates, if negotiated or provided by policy). Based on historical trends, a significant portion of the Hospital's uninsured patients will be unable or unwilling to pay for the services rendered. Thus, the Hospital records a provision for bad debts related to uninsured patients in the period the services are rendered. Patient service revenue, net of contractual allowances and discounts but before the provision for bad debts, recognized during 2011 totaled $70,727,853, of which $66,378,048 was revenue from third-party payors and $4,349,805 was revenue from self-pay patients.

3. Community Benefit

The Hospital provides services without charge, or at amounts less than its established rates, to patients who meet the criteria of its charity care policy Patients deemed as not meeting criteria for the New Hampshire Health Access Network will then be considered for the Hospital's Charity Care program The individual must be deemed ineligible for Medicaid and the Buffington Fund (Lisbon residents only) to be considered for the program. Charity Care will be granted on a sliding scale based on gross income and family size as compared to the federal poverty guidelines as follows:

- 100%-200% of federal poverty guidelines will receive 100% charity care
- 201%-225% of federal poverty guidelines will receive 75% charity care.
- 226%-275% of federal poverty guidelines will receive 50% charity care.
- 276%-300% of federal poverty guidelines will receive 25% charity care.

The net cost of charity care provided was approximately $1,964,809 in 2011 and $1,988,442 in 2010. The total cost estimate is based on an overall financial statement cost to charge ratio applied against gross charity care charges. In 2011 and 2010, 3.22% and 3.25%, respectively, of all services as defined by percentage of gross revenue was provided on a charity basis.

In 2011, of a total of 1,577 inpatients, 44 received their entire episode of service on a charity basis and 46 received partial subsidy. In 2010, of a total of 1,520 inpatients, 46 received full charity and 77 received partial subsidy

During 2011 the Hospital donated land and related land improvements to the town of Littleton. The net book value of the land was $432,082 and is included in nonoperating gains (losses) in the consolidated statements of operations.

4. Property and Equipment

The major categories of property and equipment are as follows as of September 30.

	2011	2010
Land	**$ 786,809**	$ 786,809
Land improvements	**2,879,384**	420,488
Buildings	**37,441,730**	30,673,489
Fixed equipment	**6,783,166**	1,736,149
Major moveable equipment	**18,031,934**	16,963,673
Leasehold improvements	**-**	6,823
	65,923,023	50,587,431
Less accumulated depreciation and amortization	**28,932,078**	25,374,938
	36,990,945	25,212,493
Construction in progress	**5,034,159**	15,881,253
	$ 42,025,104	$ 41,093,746

Property and equipment depreciation expense charged to operations was $3,914,496 and $3,400,096 for the years ended September 30, 2011 and 2010, respectively

During 2009, the Hospital entered into a design-build contract for the design of a new medical office building. Construction began during fiscal year 2009. The entire project cost of $12,902,212 was included in construction in progress at September 30, 2010. The project was funded with proceeds from the Series 2007 bonds and Board designated investments. Capitalized interest expense in 2010 was $216,607 and was offset by $618 of earnings on the construction fund. The project was placed in service during November 2010. There was no capitalized interest in 2011

During 2010, the Hospital entered into a contract to implement an electronic medical records system. The total anticipated cost of the project is approximately $5,200,000, and approximately $4,816,000 of project costs have been incurred through September 30, 2011 and included in construction in progress The system went "live" October 2011 and is being funded through operations. Physician Order Entry and an electronic document management system are scheduled to be implemented December 2011 and July 2012, respectively.

5. Assets Limited as to Use

Assets limited as to use consisted of the following as of September 30

	2011	2010
Board designated for capital acquisition and operations	**$ 16,000,523**	$16,905,044
Deferred compensation	**661,382**	558,624
Temporary restricted	**228,870**	257,969
Permanently restricted	**1,272,425**	900,059
Funds held by trustee under revenue bond agreement	**553,875**	592,402
Total	**18,717,075**	19,214,098
Less current portion	**553,875**	592,402
Noncurrent portion	**$ 18,163,200**	$18,621,696

The composition of assets limited as to use consisted of the following at September 30:

	2011	2010
Cash and cash equivalents	**$ 1,464,081**	$ 1,257,845
Fixed income	**4,707,690**	7,412,827
Marketable equity securities	**7,796,365**	9,705,612
Mutual funds	**1,230,703**	717,922
Other investments	**3,366,828**	-
Fixed annuity contracts	**151,408**	119,892
Total	**$ 18,717,075**	$19,214,098

Net realized gains on the sale of assets limited as to use for the years ended September 30, 2011 and 2010, amounted to $662,128 and $429,998, respectively.

Changes in endowment (donor restricted) net assets for the year ended September 30, 2011, are as follows:

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 121,862	$ 899,547	$ 1,021,409
Investment return (loss)			
Investment income, net of fees	26,095	(12,261)	13,834
Realized gains on investments	4,383	27,951	32,334
Unrealized losses on investments	(15,652)	(132,631)	(148,283)
Total investment return (loss)	14,826	(116,941)	(102,115)
Receipts on pledges receivable and other	-	(4,959)	(4,959)
Contributions	-	499,243	499,243
Appropriation of endowment assets for expenditure	(2,592)	-	(2,592)
Endowment net assets, end of year	$ 134,096	$ 1,276,890	$ 1,410,986

Changes in endowment (donor restricted) net assets for the year ended September 30, 2010, are as follows.

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 112,391	$ 841,426	$ 953,817
Investment return (loss)			
Investment income, net of fees	12,375	(7,930)	4,445
Realized gains on investments	3,041	18,666	21,707
Unrealized gains on investments	4,200	32,012	36,212
Total investment return	19,616	42,748	62,364
Receipts on pledges receivable	-	4,111	4,111
Contributions	-	11,262	11,262
Appropriation of endowment assets for expenditure	(10,145)	-	(10,145)
Endowment net assets, end of year	$ 121,862	$ 899,547	$ 1,021,409

Interpretation of Relevant Law

The Organization has interpreted the State of New Hampshire Uniform Prudent Management of Institutional Funds Act (UPMIFA), such that the Board of Trustees is allowed to appropriate for expenditure for the uses and purposes for which the endowment fund is established, unless otherwise specified by the donor, so much of the net appreciation, realized and unrealized, in the fair value of the assets of the endowment fund over the historic dollar value of the fund as is prudent. In so doing, the Board must consider the long- and short-term needs of the Organization in carrying out its purpose, its present and anticipated financial requirements, expected total return on its investments, price level trends, and general economic conditions. The Board retains all of the appreciation in its permanently restricted net assets.

Strategies Employed for Achieving Objectives

In managing its diversified portfolio, the Organization measures the performance of its investment portfolio's components against the appropriate market benchmark. Thus, portions of the equity portfolio are measured against the S&P 500 Index, the Russell 1000 Index, the Morgan Stanley Capital International Europe, Australia, Far East (MSCI EAFE) Index, and the National Association of Real Estate Investment Trusts (NAREIT) Equity Index. Fixed Income components of the investment portfolio are measured against the Lehman Brothers Intermediate Government/ Corporate Bond Index or other appropriate market benchmarks. The Organization's goal is to have its portfolio components outperform the appropriate market benchmark over a five-year investment cycle.

6. Long-Term Debt

In May 1998, the Organization, in conjunction with the New Hampshire Higher Educational and Health Facilities Authority (the "Authority"), issued $15,000,000 of tax-exempt revenue bonds (Series 1998A) to finance the Organization's construction and renovation project, to make an advance payment on the outstanding balance of $4,025,000 of the Series 1990 bonds and to reimburse the Organization for capital expenditures made since August 1996. The Organization granted the Authority a security interest in gross receipts and certain monies held by the Bond Trustee and a mortgage lien on existing and future acquisitions of land, buildings and equipment. Approximately $4,500,000 in cash and bond obligations was transferred to a custodian and deposited into a special purpose qualified trust. The Series 1990 bonds were redeemed on May 1, 2008.

In October 1998, the Organization, in conjunction with the Authority, issued $11,900,000 of tax-exempt revenue bonds (Series 1998B) to finance the Organization's construction and renovation project, to fund a reserve fund as required by the Authority and to pay issuance costs on the Series The Organization granted the Authority security interests identical to those of the Series 1998A.

On November 15, 2007, the Hospital advance refunded its Series 1998A and 1998B bonds and received approximately $8,710,000 to fund future capital needs through the issuance of a $30,000,000 Series 2007 bond in conjunction with the Business Finance Authority of the State of New Hampshire (BFA). As part of the transaction, the Hospital provided a cash contribution of approximately $3,900,000 and recognized a loss on an early extinguishment of debt of approximately $1,099,000. The Series 1998A and 1998B bonds were repaid at the first call date which was May 1, 2008 with bond proceeds that were held in escrow

All bond issues require the Organization to meet certain covenants. As of September 30, 2011 and 2010, the Organization was in compliance with these covenants.

The Organization's agreement with the BFA provides for the establishment of various funds, the use of which is generally restricted to the payment of construction and debt. These funds are administered by a trustee.

Long-term debt consisted of the following as of September 30:

	2011	2010
Series 2007 variable rate bonds at 68% of the one-month LIBOR rate (.18% at September 30, 2011), payable in annual installments ranging from $600,000 in 2012 to $1,750,000 in 2038; collateralized by substantially all Hospital assets and gross receipts.	**$ 29,150,000**	$ 29,725,000
Less current portion	**600,000**	575,000
Long-term debt, excluding current portion	**$ 28,550,000**	$ 29,150,000

Maturities on long-term debt for fiscal years subsequent to September 30, 2011, are as follows

2012	$ 600,000
2013	625,000
2014	655,000
2015	685,000
2016	705,000
Thereafter	25,880,000
	$ 29,150,000

Interest on long-term debt, excluding letter of credit fees, was $653,881 and $670,485 for the years ended September 30, 2011 and 2010, respectively. Interest capitalized during 2010 was $216,607. No interest was capitalized in 2011.

Interest Rate Swap

In connection with the issuance of the 2007 bonds, the Hospital entered into an interest rate swap agreement to hedge the interest rate risk associated with the 2007 bonds. The swap initially had a notional amount of $30,000,000 which decreased to $18,000,000 or 60% of the outstanding bond balance upon the call date of the Series 1998A and 1998B bonds on May 1, 2008. The swap terminates on October 11, 2027. The interest rate swap agreement requires the Hospital to pay a fixed rate of 3.5625% in exchange for a variable rate of 68% of one-month LIBOR.

The Hospital is required to include the fair value of the swap in the balance sheet, and annual changes, if any, in the fair value of the swap in the statement of operations. For example, during the Bonds' 30-year holding period, the annually calculated value of the swap will be reported as an asset if interest rates increase above those in effect on the date the swap was entered into (and as an unrealized gain in the statement of operations), which will generally be indicative that the net fixed rate the Hospital is paying is below market expectations of rates during the remaining term of the swap The swap will be reported as a liability (and as an unrealized loss in the statement of operations) if interest rates decrease below those in effect on the date the swap was entered into, which will generally be indicative that the net fixed rate the Hospital is paying on the swap is above market expectations of rates during the remaining term of the swap. These annual accounting adjustments of value changes in the swap transaction are non-cash recognition requirements, the net effect of which will be zero at the end of the 30-year Bonds' term. The Hospital retains the sole right to terminate the swap agreements should the need arise. The Hospital recorded the swap at its liability position of $3,869,352 and $3,265,691 at September 30, 2011 and 2010, respectively.

Letter of Credit

As part of the bond covenants, the Hospital is required to maintain a letter of credit. The fee for this letter of credit is .50% of the letter of credit commitment amount and can be adjusted annually depending on certain financial covenant ratios for the preceding fiscal year The fees amounted to $147,267 and $150,172 in 2011 and 2010, respectively and are included in interest expense on the consolidated statements of operations. The letter of credit expires on September 30, 2017 and has extension provisions. At September 30, 2011, the Hospital was in compliance with all covenants related to the letter of credit.

7. Retirement Plans

The Organization sponsors a 403(b) retirement plan for its employees. To be eligible to participate in the 403(b) plan, an employee must meet certain requirements as specified in the Plan documents. The Organization contributes 3% of each eligible participant's base salary and then matches up to an additional 2% of base salary subject to the participant's contribution level.

The amount charged to expense for the 403(b) plan totaled $1,082,151 and $952,672 for 2011 and 2010, respectively.

In addition, the Hospital adopted a 457(b) deferred compensation plan effective January 1, 2004 for certain employees An asset and a liability of $661,382 and $558,624 have been recorded related to this plan for 2011 and 2010, respectively.

8. Commitments and Contingencies

Professional Liability Insurance

The Organization is covered under a claims-made medical malpractice insurance policy. The Hospital's management estimates any claim against the Organization for incidents that have occurred would not result in a loss in excess of the insurance coverage available. In the event of cancellation or expiration of the claims-made insurance policy, the Hospital has recorded a tail coverage accrual to cover any claims incurred before, but reported after, the cancellation or expiration of the policy. The Hospital has recorded a liability of $616,754 and $560,496 for the years ended September 30, 2011 and 2010, respectively.

Self-Funded Health Insurance

The Organization maintains a self-funded health insurance plan A reserve of $1,015,000 and $1,147,000 for the years ended September 30, 2011 and 2010, respectively, has been established to fund claims for services incurred that may not have been reported

Litigation

The Hospital has been named as a defendant in a number of legal proceedings which have arisen in the normal course of business. In management's opinion, the ultimate resolution of these legal proceedings will not have a material adverse effect upon the Organization's financial statements.

Operating Leases

The Organization as lessee has various non-cancelable leases for office space, all of which are classified as operating leases. Future minimum lease payments are as follows for the year ending September 30:

2012	$ 283,751
2013	292,264
2014	20,102
2015	20,705
2016	21,326
Thereafter	21,966
Total future minimum lease payments	$ 660,114

9. Physician Practices

During 2011 and 2010, the Organization operated several physician practices. As of September 30, 2011 and 2010, the Organization recognized net practice operations as follows:

	2011	2010
Net practice revenue	$ 8,153,227	$ 6,900,366
Direct expenses	10,411,125	10,197,559
Net loss (not including indirect expenses)	$ (2,257,898)	$ (3,297,193)

10. Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purposes or periods at September 30:

	2011	2010
Construction fund	$ 3,376	$ 42,970
Indigent care	73,570	74,211
Health education	4,519	3,376
Pastoral care	5,791	9,671
Veterans transportation	1,170	1,228
Volunteer services	11,760	-
Other health related services	128,684	126,513
	$ 228,870	$ 257,969

Permanently restricted net assets are restricted to the following at September 30:

	2011	2010
Investments and pledges receivable to be held in perpetuity, the income from which is expendable to support health care services	$ 1,334,648	$ 952,346

11. Functional Expenses

The Organization provides general health care services to residents within its geographic location Expenses related to providing these services are as follows:

	2011	2010
Health care services	$ 53,617,651	$ 52,686,645
General and administrative	11,574,530	11,189,091
	$ 65,192,181	$ 63,875,736

12. Concentration of Credit Risk

From time to time, the amounts in the Organization's cash accounts and trustee held funds may exceed FDIC insurance limits. The Organization has experienced no losses from exceeding these limits, and believes no such losses will be incurred in the future as amounts are collateralized with U.S. Government securities at the respective banks

The Organization grants credit without collateral to its patients, most of whom are local residents and insured under third-party payor agreements The mix of receivables for patients and third-party payors at September 30, 2011 and 2010, was as follows:

	2011	2010
Medicare	24 %	31 %
Medicaid	14	16
Blue Cross	16	12
Other third-party payors	22	21
Patient	24	20
	100 %	100 %

13. Fair Value Measurements

ASC 820 defines fair value as the exchange price that would be received for 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 date ASC 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect an entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

Assets and liabilities measured at fair value on a recurring basis are summarized below.

	Fair Value Measurements at September 30, 2011			
	Total	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Cash and cash equivalents	$ 1,464,081	$ 1,464,081	$ -	$ -
Fixed income				
Certificates of deposit	30,000	30,000	-	-
US Treasury obligations and government securities	1,798,617	1,798,617	-	-
Corporate bonds	2,879,073	-	2,879,073	-
Total fixed income	4,707,690	1,828,617	2,879,073	-
Marketable equity securities				
Consumer discretionary	827,412	827,412	-	-
Consumer staples	563,831	563,831	-	-
Energy	1,186,788	1,186,788	-	-
Financials	1,763,974	1,763,974	-	-
Healthcare	528,776	528,776	-	-
Industrials	497,267	497,267	-	-
Information technology	829,532	829,532	-	-
Materials	744,957	744,957	-	-
Telecommunication services	267,245	267,245	-	-
Utilities	185,007	185,007	-	-
Unclassified	401,576	401,576	-	-
Total marketable equity securities	7,796,365	7,796,365	-	-
Mutual funds				
Index funds	56,784	-	-	-
Bond funds	283,800	283,800	-	-
Growth funds	743,008	743,008	-	-
International funds	147,111	147,111	-	-
Total mutual funds	1,230,703	1,173,919	-	-
Other investments				
Hatteras Multi-Strategy TEI Institutional Fund, LP	2,449,847	-	-	2,449,847
CFI Multi-Strategy Equity Fund, LLC	916,981	-	916,981	-
Total other investments	3,366,828	-	916,981	2,449,847
Fixed annuity contracts	151,408	-	151,408	-
Total assets	$ 18,717,075	$ 12,262,982	$ 3,947,462	$ 2,449,847
Liabilities				
Interest rate swap	$ 3,869,352	$ -	$ 3,869,352	$ -
Total liabilities	$ 3,869,352	$ -	$ 3,869,352	$ -

	Fair Value Measurements at September 30, 2010			
	Total	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Cash and cash equivalents	$ 1,257,845	$ 1,257,845	$ -	$ -
Fixed income				
Certificates of deposit	45,000	45,000	-	-
US Treasury obligations and government securities	3,206,409	3,206,409	-	-
Corporate bonds	4,161,418	-	4,161,418	-
Total fixed income	7,412,827	3,251,409	4,161,418	-
Marketable equity securities				
Consumer discretionary	673,576	673,576	-	-
Consumer staples	733,565	733,565	-	-
Energy	1,453,476	1,453,476	-	-
Financials	1,665,734	1,665,734	-	-
Healthcare	937,575	937,575	-	-
Industrials	908,962	908,962	-	-
Information technology	1,070,721	1,070,721	-	-
Materials	1,177,807	1,177,807	-	-
Telecommunication services	427,992	427,992	-	-
Utilities	181,168	181,168	-	-
Unclassified	475,036	475,036	-	-
Total marketable equity securities	9,705,612	9,705,612	-	-
Mutual funds				
Index funds	56,889	56,889	-	-
Bond funds	114,457	114,457	-	-
Real estate	7,860	7,860	-	-
US Equities	480,056	480,056	-	-
International funds	58,660	58,660	-	-
Total mutual funds	717,922	717,922	-	-
Fixed annuity contracts	119,892	-	119,892	-
Total assets	$ 19,214,098	$ 14,932,788	$ 4,401,202	$ -
Liabilities:				
Interest rate swap	$ 3,265,691	$ -	$ 3,265,691	$ -
Total liabilities	$ 3,265,691	$ -	$ 3,265,691	$ -

The fair value of corporate bonds are based on quoted market prices and/or other market data for the same or comparable instruments and transactions in establishing the prices and are therefore classified as level 2 investments.

Fixed annuity contracts are held at cost until redeemed at a guaranteed 3% return and are therefore classified as level 2.

Inputs other than quoted prices that are observable are used to value the interest rate swap. The Organization considers these inputs to be level 2.

The fair value of the level 2 and level 3 limited partnerships are based on the net asset value per share of the respective funds representing the fair value of the underlying investments which are generally securities which are traded on an active market. Such investments are classified as level 2 or 3 based on the Organization's ability to redeem its investment in the fund at the net asset value per share at the measurement date or within the near term and there are no other potential liquidity restrictions.

The Organization is required to give a 5-day prior notification to withdraw all or a portion of its investment in the CFI Multi-Strategy Equity Fund, LLC (CFI Fund). There is a 10% holdback until monthly pricing is performed on the 6th business day of the following month. The CFI Fund is included in other Investments and is classified as a Level 2 in the table above.

The Organization will be subject to a 5% redemption fee should it withdraw funds from the Hatteras Multi-Strategy TEI Institutional Fund, LP (Hatteras Fund) fund prior to July 1, 2012. After July 1, 2012 there is no redemption fee and quarterly withdrawals are allowed. The Hatteras Fund balance is included in other investments and is classified as Level 3 in the table above.

The following is a reconciliation of activity for assets measured at fair value on a recurring basis in which significant unobservable inputs (Level 3) were used in determining fair value:

	2011
Balance at beginning of year	$ -
Addition	2,500,000
Net change in unrealized depreciation	(153)
Balance at end of year	$ 2,499,847

14. Medicaid Enhancement Tax

In New Hampshire hospitals are subject to a 5.5% tax, the Medicaid Enhancement Tax (MET) on net taxable revenues. The Hospital has filed requests for refunds with respect to the MET they paid for taxable years ending on June 30, 2008, through June 30, 2011 for a total of approximately $3,013,900. These refunds are based on the Hospital's understanding of certain items which should have been excluded from the original net taxable revenues. It is anticipated the New Hampshire Department of Revenue Administration will deny the requests for all of the years and begin an audit of the Hospital's MET returns for those years. The Hospital has not recorded a receivable for these refund requests at September 30, 2011.

SUPPLEMENTARY INFORMATION

Schedule 1

LITTLETON REGIONAL HOSPITAL AND SUBSIDIARY

Consolidating Balance Sheets

September 30, 2011

ASSETS

	Hospital	Foundation	Eliminations	2011 Consolidated
Current assets				
Cash and cash equivalents	$ 9,194,421	$ 108,359	$ -	$ 9,302,780
Patient accounts receivable, net	7,871,050	-	-	7,871,050
Supplies	1,264,831	-	-	1,264,831
Prepaid expenses and other current assets	1,201,725	60,441	(102,510)	1,159,656
Assets limited as to use, current portion	553,875	-	-	553,875
Total current assets	20,085,902	168,800	(102,510)	20,152,192
Assets limited as to use, less current portion	17,261,281	901,919	-	18,163,200
Property and equipment, net	42,025,104	-	-	42,025,104
Deferred financing costs, net	163,436	-	-	163,436
Total assets	$ 79,535,723	$ 1,070,719	$ (102,510)	$ 80,503,932

LITTLETON REGIONAL HOSPITAL AND SUBSIDIARY

Consolidating Balance Sheets

September 30, 2011

LIABILITIES AND NET ASSETS

	Hospital	Foundation	Eliminations	2011 Consolidated
Current liabilities				
Current portion of long-term debt	$ 600,000	$ -	$ -	$ 600,000
Accounts payable and other accrued expenses	3,442,730	102,510	(102,510)	3,442,730
Accrued salaries, wages and related accounts	2,363,132	-	-	2,363,132
Other current liabilities	551,071	5,360	-	556,431
Due to third-party payors	2,945,673	-	-	2,945,673
Reserve for self-funded health insurance	1,015,000	-	-	1,015,000
Total current liabilities	10,917,606	107,870	(102,510)	10,922,966
Deferred compensation	661,382	-	-	661,382
Long-term debt, less current portion	28,550,000	-	-	28,550,000
Interest rate swap	3,869,352	-	-	3,869,352
Total liabilities	43,998,340	107,870	(102,510)	44,003,700
Net assets				
Unrestricted	34,807,491	129,223	-	34,936,714
Temporarily restricted	126,032	102,838	-	228,870
Permanently restricted	603,860	730,788	-	1,334,648
Total net assets	35,537,383	962,849	-	36,500,232
Total liabilities and net assets	$ 79,535,723	$ 1,070,719	$ (102,510)	$ 80,503,932

LITTLETON REGIONAL HOSPITAL AND SUBSIDIARY

Consolidating Balance Sheets

September 30, 2010

ASSETS

	Hospital	Foundation	Eliminations	2010 Consolidated
Current assets				
Cash and cash equivalents	$ 7,616,843	$ 73,938	$ -	$ 7,690,781
Patient accounts receivable, net	9,313,655	-	-	9,313,655
Supplies	1,167,509	-	-	1,167,509
Prepaid expenses and other current assets	1,705,958	55,629	(68,903)	1,692,684
Assets limited as to use, current portion	592,402	-	-	592,402
Total current assets	20,396,367	129,567	(68,903)	20,457,031
Assets limited as to use, less current portion	18,137,507	484,189	-	18,621,696
Property and equipment, net	41,091,824	1,922	-	41,093,746
Deferred financing costs, net	181,186	-	-	181,186
Total assets	$ 79,806,884	$ 615,678	$ (68,903)	$ 80,353,659

LITTLETON REGIONAL HOSPITAL AND SUBSIDIARY

Consolidating Balance Sheets

September 30, 2010

LIABILITIES AND NET ASSETS

	Hospital	Foundation	Eliminations	2010 Consolidated
Current liabilities				
Current portion of long-term debt	575,000	-	-	575,000
Accounts payable and other accrued expenses	$ 5,583,748	$ 68,903	$ (68,903)	$ 5,583,748
Accrued salaries, wages and related accounts	1,644,164	-	-	1,644,164
Other current liabilities	779,119	8,037	-	787,156
Due to third-party payors	2,573,832	-	-	2,573,832
Reserve for self-funded health insurance	1,147,000	-	-	1,147,000
Total current liabilities	12,302,863	76,940	(68,903)	12,310,900
Deferred compensation	558,624	-	-	558,624
Long-term debt, less current portion	29,150,000	-	-	29,150,000
Interest rate swap	3,265,691	-	-	3,265,691
Total liabilities	45,277,178	76,940	(68,903)	45,285,215
Net assets				
Unrestricted	33,708,016	150,113	-	33,858,129
Temporarily restricted	168,060	89,909	-	257,969
Permanently restricted	653,630	298,716	-	952,346
Total net assets	34,529,706	538,738	-	35,068,444
Total liabilities and net assets	$ 79,806,884	$ 615,678	$ (68,903)	$ 80,353,659

Schedule 2

LITTLETON REGIONAL HOSPITAL AND SUBSIDIARY

Consolidating Statements of Operations

Year Ended September 30, 2011

	Hospital	Foundation	Reclassifications and Eliminations	2011 Consolidated
Unrestricted revenues, gains (losses) and other support				
Patient service revenue (net of contractuals and discounts)	$ 70,727,853	$ -	$ -	$ 70,727,853
Less provision for bad debts	4,076,025	-	-	4,076,025
Net patient service revenue	66,651,828	-	-	66,651,828
Other operating revenues	1,425,560	65,533	(65,533)	1,425,560
Loss on sale of property and equipment	(25,796)	-	-	(25,796)
LRH Charitable Foundation support	49,856	-	(49,856)	-
Net assets released from restrictions used in operations	42,906	60,316	-	103,222
Total unrestricted revenues, gains (losses) and other support	68,144,354	125,849	(115,389)	68,154,814
Expenses				
Salaries and wages	27,740,602	32,436	-	27,773,038
Employee benefits	7,174,135	9,082	-	7,183,217
Supplies and other	22,546,247	103,299	(51,055)	22,598,491
Medicaid Enhancement Tax	2,910,852		-	2,910,852
Depreciation and amortization	3,923,513	1,922	-	3,925,435
Interest	801,148	-	-	801,148
Total expenses	65,096,497	146,739	(51,055)	65,192,181
Operating income (loss)	3,047,857	(20,890)	(64,334)	2,962,633
Nonoperating gains (losses)				
Income from investments	464,361	-	11,251	475,612
Unrestricted gifts	2,481	-	16,079	18,560
Foundation subsidy	(41,518)	-	41,518	-
Net realized and unrealized losses on investments	(1,187,669)	-	812	(1,186,857)
Community benefit expense	(427,955)	-	(4,127)	(432,082)
Investment management fees	(154,421)	-	(1,199)	(155,620)
Unrealized loss on interest rate swap	(603,661)	-	-	(603,661)
Nonoperating losses, net	(1,948,382)	-	64,334	(1,884,048)
Increase (decrease) in unrestricted net assets	$ 1,099,475	$ (20,890)	$ -	$ 1,078,585

LITTLETON REGIONAL HOSPITAL AND SUBSIDIARY

Consolidating Statements of Operations

Year Ended September 30, 2010

	Hospital	Foundation	Reclassifications and Eliminations	2010 Consolidated
Unrestricted revenues, gains (losses) and other support				
Patient service revenue (net of contractuals and discounts)	$ 66,353,220	$ -	$ -	$ 66,353,220
Less provision for bad debts	2,765,445	-	-	2,765,445
Net patient service revenue	63,587,775	-	-	63,587,775
Other operating revenues	1,311,007	63,816	(63,816)	1,311,007
Loss on sale of property and equipment	(33,073)	-	-	(33,073)
LRH Charitable Foundation support	69,802	-	(69,802)	-
Net assets released from restrictions used in operations	10,145	65,801	-	75,946
Total unrestricted revenues, gains (losses) and other support	64,945,656	129,617	(133,618)	64,941,655
Expenses				
Salaries and wages	25,839,800	31,195	-	25,870,995
Employee benefits	8,091,688	8,733	-	8,100,421
Supplies and other	22,811,247	99,428	(70,797)	22,839,878
Medicaid Enhancement Tax	3,048,953	-	-	3,048,953
Depreciation and amortization	3,408,556	2,883	-	3,411,439
Interest	604,050	-	-	604,050
Total expenses	63,804,294	142,239	(70,797)	63,875,736
Operating income (loss)	1,141,362	(12,622)	(62,821)	1,065,919
Nonoperating gains (losses)				
Income from investments	487,143	-	6,363	493,506
Unrestricted gifts	9,214	-	17,402	26,616
Foundation subsidy	(39,923)	-	39,923	-
Realized and unrealized gains on investments	906,916	6,028	128	913,072
Investment management fees	(138,224)	-	(995)	(139,219)
Unrealized loss on interest rate swap	(1,052,788)	-	-	(1,052,788)
Nonoperating gains (losses), net	172,338	6,028	62,821	241,187
Increase (decrease) in unrestricted net assets	$ 1,313,700	$ (6,594)	$ -	$ 1,307,106

LITTLETON REGIONAL HOSPITAL AND SUBSIDIARY

Consolidating Statements of Changes in Net Assets

Year Ended September 30, 2011

	Hospital	Foundation	2011 Consolidated
Unrestricted net assets			
Change in unrestricted net assets	$ 1,099,475	$ (20,890)	$ 1,078,585
Temporarily restricted net assets			
Contributions	-	70,614	70,614
Net realized and unrealized losses on investments	(9,800)	(15,396)	(25,196)
Investment income, net of management fees of $2,292	10,678	18,027	28,705
Net assets released from restriction for operations	(42,906)	(60,316)	(103,222)
Change in temporarily restricted net assets	(42,028)	12,929	(29,099)
Permanently restricted net assets			
Contributions	-	499,243	499,243
Net realized and unrealized losses on investments	(43,622)	(61,058)	(104,680)
Investment management fees	(6,148)	(6,113)	(12,261)
Change in permanently restricted net assets	(49,770)	432,072	382,302
Increase in net assets	1,007,677	424,111	1,431,788
Net assets, beginning of year	34,529,706	538,738	35,068,444
Net assets, end of year	$ 35,537,383	$ 962,849	$ 36,500,232

LITTLETON REGIONAL HOSPITAL AND SUBSIDIARY

Consolidating Statements of Changes in Net Assets

Year Ended September 30, 2010

	Hospital	Foundation	2010 Consolidated
Unrestricted net assets			
Change in unrestricted net assets	$ 1,313,700	$ (6,594)	$ 1,307,106
Temporarily restricted net assets			
Contributions	-	58,613	58,613
Net realized and unrealized gains on investments	7,582	7,755	15,337
Investment income, net of management fees of $2,185	11,403	2,920	14,323
Net assets released from restriction for operations	(10,145)	(65,801)	(75,946)
Change in temporarily restricted net assets	8,840	3,487	12,327
Permanently restricted net assets			
Contributions	-	11,262	11,262
Net realized and unrealized gains on investments	36,963	13,715	50,678
Investment management fees	(5,509)	(2,421)	(7,930)
Change in permanently restricted net assets	31,454	22,556	54,010
Increase in net assets	1,353,994	19,449	1,373,443
Net assets, beginning of year	33,175,712	519,289	33,695,001
Net assets, end of year	$ 34,529,706	$ 538,738	$ 35,068,444