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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

Weeks Medical Center

Doing Business As

Number and street (or P O box if mail is not delivered to street address)

173 Middle Street

Room/suite

City or town, state or country, and ZIP + 4

Lancaster, NH 03584

F Name and address of principal officer

Scott W Howe

173 Middle Street

Lancaster, NH 03584

D Employer identification number

02-0222242

E Telephone number

(603) 788-4911

G Gross receipts \$ 45,826,096

I Tax-exempt status

☒ 501(c)(3) ☐ 501(c) () ☐ (Insert no) ☐ 4947(a)(1) or ☐ 527

J Website:

www.weeksmedical.org

K Form of organization

☒ Corporation ☐ Trust ☐ Association ☐ Other

L Year of formation

1948

M State of legal domicile

NH

Part I Summary			
Activities & Governance	1	Briefly describe the organization's mission or most significant activities To provide high quality and efficient health care services	
	2	Check this box <input type="checkbox"/> 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)	16
	4	Number of independent voting members of the governing body (Part VI, line 1b)	13
	5	Total number of individuals employed in calendar year 2010 (Part V, line 2a)	413
	6	Total number of volunteers (estimate if necessary)	167
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	0
	7b	Net unrelated business taxable income from Form 990-T, line 34	0
Revenue	8	Contributions and grants (Part VIII, line 1h)	602,984
	9	Program service revenue (Part VIII, line 2g)	43,805,464
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	617,897
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	0
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	45,026,345
			40,660,505
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0
	14	Benefits paid to or for members (Part IX, column (A), line 4)	0
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	24,112,576
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0
	b	Total fundraising expenses (Part IX, column (D), line 25) 11,886	
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	20,552,296
	18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	44,664,872
	19	Revenue less expenses Subtract line 18 from line 12	361,473
Net Assets or Fund Balances		Beginning of Current Year	End of Year
	20	Total assets (Part X, line 16)	40,037,587
	21	Total liabilities (Part X, line 26)	15,516,919
	22	Net assets or fund balances Subtract line 21 from line 20	24,520,668

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

Signature of officer

Scott W Howe CEO

Type or print name and title

2012-03-01

Preparer's signature

Rachel Williamson CPA

Date

2012-03-01

Check if self-employed ☐

PTIN

Paid Preparer Use Only

Print/Type preparer's name

Rachel Williamson CPA

Firm's name

Berry Dunn McNeil & Parker LLC

Firm's address

1000 Elm Street 15th Floor

Manchester, NH 03101

Firm's EIN

Phone no

(603) 669-7337

May the IRS discuss this return with the preparer shown above? (see instructions)

☒ Yes ☐ No

For Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y

Form 990 (2010)

Part III

Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III ☐ Yes ☒ No

1

Briefly describe the organization's mission

Weeks Medical Center's compassionate staff is committed to providing high quality and efficient health care services to ensure the well-being of our patients, families and communities

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 \$ 33,214,082 including grants of \$) (Revenue \$ 39,525,843)

Health care services to individuals in the surrounding region on an Inpatient & Outpatient basis, which includes Hospital Services, Physician Office services and Home Health & Hospice 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 \$ 33,214,082

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)? <i>If "Yes," complete Schedule A.</i> 	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? <i>If "Yes," complete Schedule C, Part I.</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? <i>If "Yes," complete Schedule C, Part II.</i> 	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? <i>If "Yes," complete Schedule C, Part III.</i>	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? <i>If "Yes," complete Schedule D, Part I.</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? <i>If "Yes," complete Schedule D, Part II.</i> 	7	No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III.</i> 	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? <i>If "Yes," complete Schedule D, Part IV.</i> 	9	No
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V.</i> 	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, line 10? <i>If "Yes," complete Schedule D, Part VI.</i> 	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? <i>If "Yes," complete Schedule D, Part VII.</i> 	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? <i>If "Yes," complete Schedule D, Part VIII.</i> 	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? <i>If "Yes," complete Schedule D, Part IX.</i> 	11d	No
e	Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X.</i> 	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)? <i>If "Yes," complete Schedule D, Part X.</i> 	11f	No
12a	Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII.</i> 	12a	Yes
b	Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional.</i> 	12b	No
13	Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E.</i>	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? <i>If "Yes," complete Schedule F, Parts I and IV.</i>	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 ? <i>If "Yes," complete Schedule F, Parts II and IV.</i>	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 ? <i>If "Yes," complete Schedule F, Parts III and IV.</i>	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? <i>If "Yes," complete Schedule G, Part I (see instructions).</i>	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? <i>If "Yes," complete Schedule G, Part II.</i>	18	Yes
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III.</i>	19	No
20a	Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H.</i> 	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? <i>If "Yes," complete Schedule I, Parts I and II</i>	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? <i>If "Yes," complete Schedule I, Parts I and III</i>	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? <i>If "Yes," complete Schedule J</i>	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? <i>If "Yes," answer lines 24b-24d and complete Schedule K. If "No," go to line 25</i>	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? <i>If "Yes," complete Schedule L, Part I</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? <i>If "Yes," complete Schedule L, Part I</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? <i>If "Yes," complete Schedule L, Part II</i>	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? <i>If "Yes," complete Schedule L, Part III</i>	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? <i>If "Yes," complete Schedule L, Part IV</i>	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	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? <i>If "Yes," complete Schedule L, Part IV</i>	28c		No
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	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? <i>If "Yes," complete Schedule R, Part I</i>	33		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>	34		No
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)? <i>If "Yes," complete Schedule R, Part V, line 2</i> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	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? <i>If "Yes," complete Schedule R, Part VI</i>	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 <input type="checkbox"/>			
		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	1a	42
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	1b	0
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	Yes
2a	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return.	2a	413
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	2b	Yes
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 16		
b	Enter the number of voting members included in line 1a, above, who are independent	1b 13		
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		No
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a		No
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 If "Yes" to line 15a or 15b, describe the process in Schedule O (See instructions)	15b	Yes	
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. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> 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 ▶ Scott W Howe 173 Middle Street Lancaster, NH 03584 (603) 788-4911

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) Ernest F Angelicola Trustee	1 00	X						0	0	0
(2) David Atkinson Treasurer	1 00	X		X				0	0	0
(3) Scott Burns Chair	1 00	X		X				0	0	0
(4) George Cook Trustee	1 00	X						0	0	0
(5) Donald Crane Trustee	1 00	X						0	0	0
(6) Sarah Desrochers Trustee	1 00	X						0	0	0
(7) Charlie Fitch Trustee	1 00	X						0	0	0
(8) Stanley Holz Secretary	1 00	X						0	0	0
(9) John Howell MD Trustee	1 00	X						0	0	0
(10) Peter Johnson Trustee	1 00	X						0	0	0
(11) Patrick Kelly Trustee	1 00	X						0	0	0
(12) Patsy Pilgrim Trustee	1 00	X						0	0	0
(13) Lisa Tetreault Vice Chair	1 00	X						0	0	0
(14) Rebecca More Honorary Trustee	1 00	X						0	0	0
(15) Mane Thompson Honorary Trustee	1 00	X						0	0	0
(16) Scott Howe CEO	40 00	X		X				213,548	0	28,544

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) Lars Nielson CMO	40 00	X		X				296,729	0	35,604
(18) Wendy Muello MD Medical Staff President	40 00	X		X				156,508	0	41,862
(19) Celeste Pitts CFO	40 00			X				101,326	0	19,123
(20) Gail Tattan-Giampaolo Director HH/Hospice	40 00					X		76,474	0	10,986
(21) Attila Barabas MD Physician	40 00					X		449,902	0	41,173
(22) Paul Kamins MD Physician	40 00					X		415,267	0	39,801
(23) Mark Morgan MD Physician	36 00					X		371,256	0	37,735
(24) David Pelkowski Physician	41 00					X		355,729	0	30,662
(25) Walter Voigt MD Physician	40 00					X		330,525	0	37,279
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								2,690,790	0	311,783
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▶34									

		Yes	No
3	Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>	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? <i>If "Yes," complete Schedule J for such individual</i>	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? <i>If "Yes," complete Schedule J for such person</i>	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
Kingdom Emergency 815 North Kirby Road Lyndonville, VT 35851		Emergency Room Physician Coverage	1,491,272
American Health Centers Inc 10 Commerce Park North Unit 10 Bedford, NH 03110		Mobile Scans	551,968
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 ▶2		

Part VIII

Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns . . .	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d				
	e	Government grants (contributions)	1e	625,647			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	90,406			
	g	Noncash contributions included in lines 1a-1f \$					
	h	Total. Add lines 1a-1f		716,053			
	Program Service Revenue	2a	Business Code				
		Net Patient Service	621400	41,266,584	41,266,584		
b		Miscellaneous	621400	508,479	508,479		
c		Pharmacy	621400	147,880	147,880		
d		Cafeteria	621400	134,163	134,163		
e		Provision for bad debt	621400	-2,531,263	2,531,263		
f		All other program service revenue					
g		Total. Add lines 2a-2f		39,525,843			
Other Revenue		3	Investment income (including dividends, interest and other similar amounts)		401,627		
	4	Income from investment of tax-exempt bond proceeds . . .					
	5	Royalties					
	6a	Gross Rents	(i) Real	(ii) Personal			
	b	Less rental expenses					
	c	Rental income or (loss)					
	d	Net rental income or (loss)					
	7a	Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other			
			5,157,057	686			
	b	Less cost or other basis and sales expenses					
			5,149,921				
	c	Gain or (loss)					
			7,136	686			
	d	Net gain or (loss)			7,822		7,822
	8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18					
			a	24,830			
	b	Less direct expenses	b	15,670			
	c	Net income or (loss) from fundraising events . . .			9,160		9,160
	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		40,660,505	39,525,843	0	418,609	

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	1,142,099		1,142,099	
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	18,855,477	16,588,158	2,267,319	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	480,365	435,154	45,211	
9	Other employee benefits	2,562,225	2,240,101	322,124	
10	Payroll taxes	1,238,741	1,035,711	203,030	
a	Fees for services (non-employees)				
	Management	342,290	60,553	281,737	
b	Legal	26,002		26,002	
c	Accounting	74,070		74,070	
d	Lobbying				
e	Professional fundraising services See Part IV, line 17				
f	Investment management fees	36,504		36,504	
g	Other	3,936,400	3,787,874	148,526	
12	Advertising and promotion	75,347		73,610	1,737
13	Office expenses	361,015	112,563	248,452	
14	Information technology	386,183		386,183	
15	Royalties				
16	Occupancy	912,568	883,477	29,091	
17	Travel	177,604	157,650	19,954	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	41,330	34,322	7,008	
20	Interest	492,071	492,071		
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	2,092,908	2,092,908		
23	Insurance	289,779	252,371	37,408	
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	Patient Care Supplies	4,281,576	4,281,576		
b	MET Taxes	1,511,805		1,511,805	
c	Miscellaneous	1,090,199	759,593	320,457	10,149
d					
e					
f	All other expenses				
25	Total functional expenses. Add lines 1 through 24f	40,406,558	33,214,082	7,180,590	11,886
26	Joint costs. Check here <input checked="" type="checkbox"/> 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)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing			30	1	30
	2	Savings and temporary cash investments			4,135,439	2	4,679,790
	3	Pledges and grants receivable, net				3	
	4	Accounts receivable, net			6,058,111	4	5,650,300
	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				7	
	8	Inventories for sale or use			698,708	8	810,445
	9	Prepaid expenses and deferred charges			190,383	9	171,047
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D.	10a	35,235,982			
	b	Less: accumulated depreciation	10b	18,703,418	14,330,916	10c	16,532,564
	11	Investments—publicly traded securities			11,496,192	11	11,241,694
	12	Investments—other securities. See Part IV, line 11				12	
	13	Investments—program-related. See Part IV, line 11				13	
	14	Intangible assets				14	
	15	Other assets. See Part IV, line 11			3,127,808	15	428,283
16	Total assets. Add lines 1 through 15 (must equal line 34)			40,037,587	16	39,514,153	
Liabilities	17	Accounts payable and accrued expenses			4,054,106	17	3,917,239
	18	Grants payable				18	
	19	Deferred revenue			382,876	19	430,379
	20	Tax-exempt bond liabilities			10,000,000	20	9,700,000
	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			1,079,937	25	984,465
	26	Total liabilities. Add lines 17 through 25			15,516,919	26	15,032,083
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.						
	27	Unrestricted net assets			22,420,389	27	22,995,706
	28	Temporarily restricted net assets			1,188,365	28	569,450
	29	Permanently restricted net assets			911,914	29	916,914
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> 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			24,520,668	33	24,482,070
34	Total liabilities and net assets/fund balances			40,037,587	34	39,514,153	

Part XI **Reconciliation 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	40,660,505
2	Total expenses (must equal Part IX, column (A), line 25)	2	40,406,558
3	Revenue less expenses. Subtract line 2 from line 1	3	253,947
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	24,520,668
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-292,545
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	24,482,070

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 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> 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?		No
b	Were the organization's financial statements audited by an independent accountant?	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	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 <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> 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?		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		

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
Weeks Medical Center

Employer identification number
02-0222242

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?
(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?
(ii) a family member of a person described in (i) above?
(iii) a 35% controlled entity of a person described in (i) or (ii) above?

h

☐

Provide the following information about the supported organization(s)

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

(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?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U S ?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
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 IIIPart 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 <input type="checkbox"/>						

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).

Facts And Circumstances Test

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 Weeks Medical Center	Employer identification number 02-0222242
--	--

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?	<input type="checkbox"/> Yes <input type="checkbox"/> No
4a	Was a correction made?	<input type="checkbox"/> Yes <input type="checkbox"/> 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 function 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?	<input type="checkbox"/> Yes <input type="checkbox"/> 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															
<table><tr><td>If the amount on line 1e, column (a) or (b) is:</td><td>The lobbying nontaxable amount is:</td></tr><tr><td>Not over \$500,000</td><td>20% of the amount on line 1e</td></tr><tr><td>Over \$500,000 but not over \$1,000,000</td><td>\$100,000 plus 15% of the excess over \$500,000</td></tr><tr><td>Over \$1,000,000 but not over \$1,500,000</td><td>\$175,000 plus 10% of the excess over \$1,000,000</td></tr><tr><td>Over \$1,500,000 but not over \$17,000,000</td><td>\$225,000 plus 5% of the excess over \$1,500,000</td></tr><tr><td>Over \$17,000,000</td><td>\$1,000,000</td></tr></table>		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		
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														
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-															
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?		<input type="checkbox"/> Yes	<input type="checkbox"/> 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)		(b)
		Yes	No	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		10,484
	j Total lines 1c through 1i			10,484
	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	Weeks Medical Center is a member of the New Hampshire Hospital Association and the American Hospital Association. A portion of the dues paid to these organizations is available for lobbying expenditures on behalf of WMC and other member organizations in furtherance of their exempt purposes. WMC does not directly perform any lobbying activities.

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
Weeks Medical Center

Employer identification number
02-0222242

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? <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>	
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 <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>	

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
2a	
2b	
2c	
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

► \$ _____

For Privacy Act and Paperwork Reduction Act Notice, see the Intructions for Form 990

Cat No 52283D

Schedule D (Form 990) 2010

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

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

	Amount
1c	
1d	
1e	
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	1,662,763	1,591,035	1,517,579		
b Contributions	5,000				
c Investment earnings or losses	-67,822	118,038	123,226		
d Grants or scholarships					
e Other expenditures for facilities and programs	568,664	46,310	49,770		
f Administrative expenses					
g End of year balance	1,031,277	1,662,763	1,591,035		

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶

b

Permanent endowment ▶ 88 910 %

c

Term endowment ▶ 11 090 %

3a

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

(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		462,709		462,709
b Buildings		13,047,144	6,376,273	6,670,871
c Leasehold improvements				
d Equipment		19,797,775	12,012,354	7,785,421
e Other		1,928,354	314,791	1,613,563
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶				16,532,564

Schedule D (Form 990) 2010

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	40,660,505
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	40,406,558
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	253,947
4	Net unrealized gains (losses) on investments	4	-275,428
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	-17,117
9	Total adjustments (net) Add lines 4 - 8	9	-292,545
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	-38,598

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	40,347,126
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	-275,428
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	15,670
e	Add lines 2a through 2d	2e	-259,758
3	Subtract line 2e from line 1	3	40,606,884
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	36,504
b	Other (Describe in Part XIV)	4b	17,117
c	Add lines 4a and 4b	4c	53,621
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)	5	40,660,505

Part XIII

Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	40,385,724
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	15,670
e	Add lines 2a through 2d	2e	15,670
3	Subtract line 2e from line 1	3	40,370,054
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	36,504
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	36,504
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)	5	40,406,558

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		Unrealized Loss on Interest Rate Swap -17,117
Part XII, Line 2d - Other Adjustments		Fundraising Expenses 15,670
Part XII, Line 4b - Other Adjustments		Unrealized Loss on Interest Rate Swap 17,117
Part XIII, Line 2d - Other Adjustments		Fundraising Expenses 15,670

SCHEDULE G
(Form 990 or 990-EZ)

Supplemental Information Regarding
Fundraising or Gaming Activities

OMB No 1545-0047

2010

Open to Public
Inspection

Department of the Treasury
Internal Revenue Service

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19,
or if the organization entered more than \$15,000 on Form 990-EZ, line 6a.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

Name of the organization
Weeks Medical Center

Employer identification number
02-0222242

Part I Fundraising Activities. Complete if the organization answered "Yes" to Form 990, Part IV, line 17.

- 1

Indicate whether the organization raised funds through any of the following activities. Check all that apply.

a

☐

Mail solicitations

e

☐

Solicitation of non-government grants

b

☐

Internet and e-mail solicitations

f

☐

Solicitation of government grants

c

☐

Phone solicitations

g

☐

Special fundraising events

d

☐

In-person solicitations
- 2a

Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services?

☐ Yes

☐ No
- b

If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization. Form 990-EZ filers are not required to complete this table.

(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
Total ▶						

- 3

List all states in which the organization is registered or licensed to solicit funds or has been notified it is exempt from registration or licensing.

Part II Fundraising Events.

Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 on Form 990-EZ, line 6a. List events with gross receipts greater than \$5,000.

Revenue			(a) Event #1	(b) Event #2	(c) Other Events	(d) Total Events
			Hospice Ball			(Add col (a) through col (c))
			(event type)	(event type)	(total number)	
1	Gross receipts	. . .	24,830			24,830
2	Less Charitable contributions	. . .				
3	Gross income (line 1 minus line 2)	. . .	24,830			24,830
Direct Expenses	4	Cash prizes				
	5	Non-cash prizes				
	6	Rent/facility costs				
	7	Food and beverages				
	8	Entertainment				
	9	Other direct expenses	15,670			15,670
	10	Direct expense summary Add lines 4 through 9 in column (d) ▶				15,670
	11	Net income summary Combine lines 3 and 10 in column (d). ▶				9,160

Part III Gaming.

Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

Revenue			(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming
						(Add col (a) through col (c))
1	Gross revenue				
Direct Expenses	2	Cash prizes				
	3	Non-cash prizes				
	4	Rent/facility costs				
	5	Other direct expenses				
	6	Volunteer labor	Yes % No	Yes % No	Yes % No	
		7	Direct expense summary Add lines 2 through 5 in column (d) ▶			
		8	Net gaming income summary Combine lines 1 and 7 in column (d) ▶			

9 Enter the state(s) in which the organization operates gaming activities _____

a Is the organization licensed to operate gaming activities in each of these states? ☐ Yes ☐ No

b If "No," Explain _____

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? ☐ Yes ☐ No

b If "Yes," Explain _____

11

Does the organization operate gaming activities with nonmembers?

Yes

No

12

Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming?

Yes

No

13

Indicate the percentage of gaming activity operated in

a	The organization's facility	13a
b	An outside facility	13b

14

Provide the name and address of the person who prepares the organization's gaming/special events books and records

Name

Address

15a

Does the organization have a contract with a third party from whom the organization receives gaming revenue?

Yes

No

b

If "Yes," enter the amount of gaming revenue received by the organization \$ and the amount of gaming revenue retained by the third party \$

c

If "Yes," enter name and address

Name

Address

16 Gaming manager information

Name

Gaming manager compensation \$

Description of services provided

Director/officer

Employee

Independent contractor

17

Mandatory distributions

a

Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license?

Yes

No

b

Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year \$

Part IV Complete this part to provide additional information for responses to question on Schedule G (see instructions.)

Identifier	ReturnReference	Explanation
------------	-----------------	-------------

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
Weeks Medical Center

Employer identification number
02-0222242

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	Yes	
1b	If "Yes," is it a written policy?	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 <div><input type="checkbox"/> Applied uniformly to all hospitals</div> <div><input type="checkbox"/> Applied uniformly to most hospitals</div> <div><input type="checkbox"/> Generally tailored to individual hospitals</div>		
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 <i>free</i> care to low income individuals? If "Yes," indicate which of the following is the FPG family income limit for eligibility for free care <div><input type="checkbox"/> 100%</div> <div><input type="checkbox"/> 150%</div> <div><input type="checkbox"/> 200%</div> <div><input checked="" type="checkbox"/> Other <u>300.000000000000 %</u></div>	Yes	
	b Does the organization use FPG to determine eligibility for providing <i>discounted</i> care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care <div><input type="checkbox"/> 200%</div> <div><input type="checkbox"/> 250%</div> <div><input checked="" type="checkbox"/> 300%</div> <div><input type="checkbox"/> 350%</div> <div><input type="checkbox"/> 400%</div> <div><input type="checkbox"/> Other _____ %</div>	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"?	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	Yes	
5b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	Yes	
5c	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 eligible for free or discounted care?		No
6a	Does the organization prepare a community benefit report during the tax year?	Yes	
6b	If "Yes," did the organization make it available to the public?	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		2,560,828	842,397	1,718,431	4 250 %
b Unreimbursed Medicaid (from Worksheet 3, column a)	1		4,723,771	3,991,397	732,374	1 810 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs	2		7,284,599	4,833,794	2,450,805	6 060 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)	14		967,966	103,274	864,692	2 140 %
f Health professions education (from Worksheet 5)	3		662,624	12,498	650,126	1 610 %
g Subsidized health services (from Worksheet 6)	6		4,169,756	3,895,227	274,529	0 680 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions to community groups (from Worksheet 8)						
j Total Other Benefits	23		5,800,346	4,010,999	1,789,347	4 430 %
k Total. Add lines 7d and 7j	25		13,084,945	8,844,793	4,240,152	10 490 %

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					
4	Environmental improvements					
5	Leadership development and training for community members					
6	Coalition building					
7	Community health improvement advocacy					
8	Workforce development					
9	Other					
10	Total					

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	No
2	Enter the amount of the organization's bad debt expense (at cost)	2	
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	18,098,550
6	Enter Medicare allowable costs of care relating to payments on line 5	6	19,889,453
7	Subtract line 6 from line 5. This is the surplus or (shortfall)	7	-1,790,903
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: <input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> 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				

Section A. Hospital Facilities

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

1	Weeks Medical Center Hospital 173 Middle Street Lancaster, NH 03584
---	---

Other (Describe)

ER-other
ER-24 hours
Research facility
Critical access hospital
Teaching hospital
Children's hospital
General medical & surgical
Licensed hospital

[illegible]

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? 5

Name and address		Type of Facility (Describe)
1	Lancaster Physicians Offices 170 Middle Street Lancaster, NH 03584	Physician Office for primary care
2	Lancaster Physicians Offices 170 Middle Street Lancaster, NH 03584	Physician Office for primary care
3	Lancaster Physicians Offices 170 Middle Street Lancaster, NH 03584	Physician Office for primary care
4	Lancaster Physicians Offices 170 Middle Street Lancaster, NH 03584	Physician Office for primary care
5	Lancaster Physicians Offices 170 Middle Street Lancaster, NH 03584	Physician Office for primary care
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 Cost to charge ratio

Identifier	ReturnReference	Explanation
		Part I, Line 7g Chronic Disease Management, Emergency Department, Family Planning Program, Geriatric Psychiatrist, Psychiatric Consultations, Child Psychology Program

Identifier	ReturnReference	Explanation
		Part III, Line 8 The entire shortfall is treated as community benefit Cost to charge ratio from the Medicare cost report was used

Identifier	ReturnReference	Explanation
		Part VI, Line 2 In the summer of 2007, the Strategic Planning Committee conducted a community needs assessment The community needs have been identified and became part of the planning process whereby specific initiatives were defined based on priorities and institutional capacity The initiatives have become part of the overall 2009-2013 Strategic Plan

Identifier	ReturnReference	Explanation
		Part VI, Line 3 The staff is trained to discuss the Hospital's charity care policy with patients, the policy is available throughout the Hospital in the brochure and it is available on the Hospital's website WMC also employs a full-time financial counselor and other case management staff to assist patients with the financial assistance process

Identifier	ReturnReference	Explanation
		<p>Part VI, Line 4 Weeks Medical Center's general geographic catchment area consists of nine towns, which supply almost 90% of its patients Towns include Lancaster, Groveton, Dalton, Whitefield, North Stratford, Jefferson and Stark, in New Hampshire, and Lunenburg, Guildhall and Gilman, in Vermont Together, these towns have a population of approximately 13,000 and cover approximately 375 square miles in both Vermont and New Hampshire With the recent merger of WMC - Home Health and Hospice with the Upper Connecticut Valley Hospital - Home Health, the service area for homecare services have expanded to include Clarkesville, Colebrook, Columbia, Errol, Pittsburg, and Stewartstown The expanded territory includes an additional 804 square miles and 5,542 residents Weeks Medical Center is defined by the geographic communities that surround its facilities and by the individuals and groups who benefit from the health and wellness services provided by its various health related institutions The definition was developed by the Board of Trustees, its Committees, administrative and professional staff in the practical application of the services provided by the institutions and the identified needs of the communities served</p>

Identifier	ReturnReference	Explanation
		Part VI, Line 6 WMC plays an integral role in the Emergency Preparedness plans of our community We are the ones who staff the 911 emergency line and tone out the ambulance when needed In addition to being available in an emergency from a clinical standpoint, we are a large part of the community wide planning team, taking the lead in the planning of training & drills and bringing the various components together, based on State-wide standards

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

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2010

Open to Public Inspection

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.

Name of the organization
Weeks Medical Center

Employer identification number
02-0222242

Part I

Questions Regarding Compensation

		Yes	No
1a	Check the appropriate 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		
	<div><div><input type="checkbox"/> First-class or charter travel</div><div><input type="checkbox"/> Housing allowance or residence for personal use</div></div> <div><div><input type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Payments for business use of personal residence</div></div> <div><div><input type="checkbox"/> Tax idemnification and gross-up payments</div><div><input type="checkbox"/> Health or social club dues or initiation fees</div></div> <div><div><input type="checkbox"/> Discretionary spending account</div><div><input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div>		
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision 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		
	<div><div><input checked="" type="checkbox"/> Compensation committee</div><div><input checked="" type="checkbox"/> Written employment contract</div></div> <div><div><input type="checkbox"/> Independent compensation consultant</div><div><input checked="" type="checkbox"/> Compensation survey or study</div></div> <div><div><input type="checkbox"/> Form 990 of other organizations</div><div><input checked="" type="checkbox"/> Approval by the board or compensation committee</div></div>		
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 accrued 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) Scott Howe	(i)	204,780	0	8,768	6,576	21,968	242,092	0
	(ii)	0	0	0	0	0	0	0
(2) Lars Nielson	(i)	274,729	0	22,000	9,051	26,553	332,333	0
	(ii)	0	0	0	0	0	0	0
(3) Wendy Muello MD	(i)	134,508	0	22,000	15,593	26,269	198,370	0
	(ii)	0	0	0	0	0	0	0
(4) Attila Barabas MD	(i)	440,785	0	9,117	13,983	27,190	491,075	0
	(ii)	0	0	0	0	0	0	0
(5) Paul Kamins MD	(i)	393,272	0	21,995	12,612	27,189	455,068	0
	(ii)	0	0	0	0	0	0	0
(6) Mark Morgan MD	(i)	354,833	0	16,423	11,293	26,442	408,991	0
	(ii)	0	0	0	0	0	0	0
(7) David Pelkowski	(i)	355,729	0	0	3,722	26,940	386,391	0
	(ii)	0	0	0	0	0	0	0
(8) Walter Voigt MD	(i)	323,799	0	6,726	10,089	27,190	367,804	0
	(ii)	0	0	0	0	0	0	0
(9)								
(10)								
(11)								
(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
Weeks Medical Center

Employer identification number
02-0222242

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 NH			09-01-2010	10,000,000	Refinance existing debt and finance the Hospital's contruction project		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	10,000,000							
4	Gross proceeds in reserve funds								
5	Capitalized interest from proceeds								
6	Proceeds in refunding escrow								
7	Issuance costs from proceeds	112,960							
8	Credit enhancement from proceeds								
9	Working capital expenditures from proceeds	9,887,040							
10	Capital expenditures from proceeds								
11	Other spent proceeds								
12	Other unspent proceeds								
13	Year of substantial completion	2011							
		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 IIIPrivate 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 IVArbitrage

		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 VSupplemental Information

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

Identifier	Return Reference	Explanation

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 Weeks Medical Center	Employer identification number 02-0222242
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Identifier	Return Reference	Explanation
Form 990, Part VI, Section B, line 11		The Finance Committe review s the Form 990 and provides a copy to each member prior to submission

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section B, line 12c	The organization requires the Board Members to review and sign a Conflict of Interest Policy annually. The organization also provides annual 990 questionnaires with several potential conflict situations discussed and distributed to the full Board every year at the time of the audit. Responses are sent directly to the audit firm. Any conflict discovered by the CPA's would be addressed by Hospital Management.

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section B, line 15	The CEO's compensation is determined by the Compensation Committee of the Board, a written employment contract, a state compensation survey and approval of the full Board and Compensation Committee. Other officers have their compensation determined through a state compensation survey, along with approval of the CEO.

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section C, line 19	The organization makes its governing documents, conflict of interest policy, and financial statements available to the public upon request

Identifier	Return Reference	Explanation
Changes in Net Assets or Fund Balances	Form 990, Part XI, line 5	Net unrealized losses on investments -275,428 Unrealized Loss on Interest Rate Sw ap - 17,117 Total to Form 990, Part XI, Line 5 -292,545

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



Weeks Medical Center

FINANCIAL STATEMENTS

September 30, 2011 and 2010

With Independent Auditors' Report



WEEKS MEDICAL CENTER
September 30, 2011 and 2010

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Weeks Medical Center

We have audited the accompanying balance sheets of Weeks Medical Center (the Hospital) as of September 30, 2011 and 2010, and the related statements of operations, changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the Hospital's management. Our responsibility is to express an opinion on these 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 audits 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 financial position of Weeks Medical Center as of September 30, 2011 and 2010, and the results of its operations, changes in its net assets and its cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

Berry Dunn McNeil & Parker, LLC

Manchester, New Hampshire
December 13, 2011

WEEKS MEDICAL CENTER

Balance Sheets

September 30, 2011 and 2010

ASSETS

	<u>2011</u>	<u>2010</u>
Current assets		
Cash	\$ 3,718,358	\$ 3,443,555
Patient accounts receivable, net of allowances of \$4,924,299 and \$5,387,101 in 2011 and 2010, respectively	4,660,466	5,161,420
Other receivables	989,834	896,691
Estimated third-party settlements	293,956	224,259
Supplies	810,445	698,708
Assets limited as to use	-	2,762,121
Prepaid expenses	<u>171,047</u>	<u>190,383</u>
Total current assets	10,644,106	13,377,137
Investments	12,203,156	12,188,106
Property and equipment, net	16,532,564	14,330,916
Deferred financing costs, net	<u>134,327</u>	<u>141,428</u>
 Total assets	 <u>\$39,514,153</u>	 <u>\$40,037,587</u>

The accompanying notes are an integral part of these financial statements

LIABILITIES AND NET ASSETS

	<u>2011</u>	<u>2010</u>
Current liabilities		
Current portion of capital leases	\$ 115,280	\$ 110,171
Current portion of long-term debt	319,500	300,000
Accounts payable and accrued expenses	1,883,370	2,008,410
Accrued salaries, wages and related accounts	2,033,869	2,045,696
Deferred revenue	<u>430,379</u>	<u>382,876</u>
Total current liabilities	4,782,398	4,847,153
Capital lease, less current portion	47,147	164,845
Long-term debt, less current portion	9,380,500	9,700,000
Interest rate swap	<u>822,038</u>	<u>804,921</u>
Total liabilities	<u>15,032,083</u>	<u>15,516,919</u>
Commitments and contingencies (Notes 4 and 7)		
Net assets		
Unrestricted	22,995,706	22,420,389
Temporarily restricted	569,450	1,188,365
Permanently restricted	<u>916,914</u>	<u>911,914</u>
Total net assets	<u>24,482,070</u>	<u>24,520,668</u>
Total liabilities and net assets	<u>\$ 39,514,153</u>	<u>\$40,037,587</u>

WEEKS MEDICAL CENTER**Statements of Operations****Years Ended September 30, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
Unrestricted revenues, gains, and other support		
Patient service revenue (net of contractual allowances and discounts)	\$ 41,266,584	\$ 43,005,113
Provision for bad debts	<u>2,531,263</u>	<u>3,036,568</u>
Net patient service revenue	38,735,321	39,968,545
Net assets released from restrictions used for operations	73,745	59,700
Other operating revenue	<u>1,441,685</u>	<u>1,367,539</u>
Total unrestricted revenues, gains and other support	<u>40,250,751</u>	<u>41,395,784</u>
Expenses		
Salaries and wages	19,220,095	19,234,089
Employee benefits	4,438,425	4,284,394
Physician salaries and fees	2,854,112	2,687,543
Medicaid enhancement tax	1,511,805	2,358,318
Contract labor	388,242	772,176
Medical supplies	4,045,797	4,340,846
Other supplies and services	4,183,355	4,120,348
Utilities	869,134	918,207
Insurance	289,780	316,000
Depreciation and amortization	2,092,907	2,095,658
Interest	<u>492,072</u>	<u>464,484</u>
Total expenses	<u>40,385,724</u>	<u>41,592,063</u>
Operating loss	<u>(134,973)</u>	<u>(196,279)</u>
Nonoperating gains (losses)		
Contributions	15,265	9,064
Investment income, net	145,229	841,476
Loss on early extinguishment of debt	-	(382,048)
Unrealized loss on interest rate swap	<u>(17,117)</u>	<u>(221,531)</u>
Total nonoperating gains	<u>143,377</u>	<u>246,961</u>
Excess of revenues, gains, and other support over expenses and losses	8,404	50,682
Net assets released from restrictions for capital acquisitions	<u>566,913</u>	<u>29,140</u>
Increase in unrestricted net assets	575,317	79,822
Unrestricted net assets, beginning of year	<u>22,420,389</u>	<u>22,340,567</u>
Unrestricted net assets, end of year	<u>\$ 22,995,706</u>	<u>\$ 22,420,389</u>

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

WEEKS MEDICAL CENTER

Statement of Changes in Net Assets

Years Ended September 30, 2011 and 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Balances, October 1, 2009	\$ <u>22,340,567</u>	\$ <u>1,078,066</u>	\$ <u>911,914</u>	\$ <u>24,330,547</u>
Excess of revenues, gains and support over expenses and losses	50,682	-	-	50,682
Change in net unrealized gains on investments		70,765	-	70,765
Restricted investment income	-	118,144	-	118,144
Restricted contributions	-	10,230	-	10,230
Net assets released from restrictions used for operations		(59,700)	-	(59,700)
Net assets released from restrictions for capital acquisitions	<u>29,140</u>	<u>(29,140)</u>	<u>-</u>	<u>-</u>
Change in net assets	<u>79,822</u>	<u>110,299</u>	<u>-</u>	<u>190,121</u>
Balances, September 30, 2010	<u>22,420,389</u>	<u>1,188,365</u>	<u>911,914</u>	<u>24,520,668</u>
Excess of revenues, gains and other support over expenses and losses	8,404	-	-	8,404
Change in net unrealized gains on investments	-	(59,240)	-	(59,240)
Restricted investment income	-	10,842	-	10,842
Restricted contributions	-	70,141	5,000	75,141
Net assets released from restrictions used for operations	-	(73,745)	-	(73,745)
Net assets released from restrictions for capital acquisitions	<u>566,913</u>	<u>(566,913)</u>	<u>-</u>	<u>-</u>
Change in net assets	<u>575,317</u>	<u>(618,915)</u>	<u>5,000</u>	<u>(38,598)</u>
Balances, September 30, 2011	<u>\$ 22,995,706</u>	<u>\$ 569,450</u>	<u>\$ 916,914</u>	<u>\$ 24,482,070</u>

The accompanying notes are an integral part of these financial statements

WEEKS MEDICAL CENTER

Statements of Cash Flows

Years Ended September 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Cash flows from operating activities		
Change in net assets	\$ (38,598)	\$ 190,121
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	2,092,907	2,095,658
Loss on disposal of property and equipment	9,258	16,466
Provision for bad debts	2,531,263	3,036,568
Realized and unrealized losses (gains) on investments	268,292	(561,975)
Loss on early extinguishment of debt	-	382,048
Unrealized loss on interest rate swap	17,117	221,531
(Increase) decrease in		
Patient accounts receivable	(2,030,309)	(2,780,164)
Other accounts receivable	(93,143)	(478,548)
Supplies	(111,737)	16,367
Prepaid expenses	19,336	(19,849)
Estimated third-party settlements	(69,697)	(399,945)
Increase (decrease) in		
Accounts payable and accrued expenses	(125,040)	582,527
Accrued salaries, wages and related accounts	(11,827)	(547,037)
Deferred revenue	47,503	(75,460)
Net cash provided by operating activities	<u>2,505,325</u>	<u>1,678,308</u>
Cash flows from investing activities		
Proceeds from sale of property and equipment	686	-
Purchases of property and equipment	(4,297,398)	(1,757,814)
Proceeds from sales of investments	5,157,057	4,429,806
Purchase of investments	(2,678,278)	(7,426,026)
Net cash used by investing activities	<u>(1,817,933)</u>	<u>(4,754,034)</u>
Cash flows from financing activities		
Proceeds from issuance of long-term debt	-	10,000,000
Repayments of long-term debt	(300,000)	(7,635,000)
Deferred financing costs	-	(142,020)
Repayment of capital lease	(112,589)	(135,915)
Net cash (used) provided by financing activities	<u>(412,589)</u>	<u>2,087,065</u>
Net increase (decrease) in cash	274,803	(988,661)
Cash, beginning of year	<u>3,443,555</u>	<u>4,432,216</u>
Cash, end of year	<u>\$ 3,718,358</u>	<u>\$ 3,443,555</u>
Supplemental disclosure of cash flow information		
Cash paid for interest	<u>\$ 492,072</u>	<u>\$ 464,484</u>

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

WEEKS MEDICAL CENTER
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Nature of Operations

Weeks Medical Center (the Hospital), a New Hampshire not-for-profit corporation, provides medical services on an inpatient and outpatient basis in Northern New Hampshire. New England Alliance for Health (NEAH) was formed, effective January 1, 2009, which is a limited liability company owned and managed by Mary Hitchcock Memorial Hospital. The Hospital and the other former members of Dartmouth-Hitchcock Alliance (DHA) participate in this new alliance of health care providers, which offers many services previously provided by DHA. NEAH is not a parent organization of the Hospital and, as such, does not have powers reserved to it. The accompanying financial statements represent only the accounts of the Hospital and not those of DHA or NEAH.

1. Summary of Significant Accounting Policies

Basis of Statement Presentation

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions in accordance with the 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 balance sheet, a statement of operations and 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 each change of those classes of net assets be displayed in a statement of operations.

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.

Cash and Cash Equivalents

Cash and cash equivalents include all cash in banks and certificates of deposit with an original maturity of three months or less, excluding amounts whose use is limited by board designation or amounts included in investments for temporarily and permanently restricted net assets.

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Patient Accounts Receivable

Patient accounts receivable are carried at the amount management expects to collect from outstanding balances.

Patient receivables are periodically evaluated for collectibility based on credit history and current financial condition. Provisions for losses on receivable are determined on the basis of loss experience, known and inherent risks, estimated value of collateral and current economic conditions. The Hospital uses the allowance method to account for uncollectible 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. Data in each major payor source are regularly reviewed to evaluate the adequacy of the allowance for doubtful accounts. Specifically, for receivables relating to services provided to patients having third-party coverage, an allowance for doubtful accounts and a corresponding provision for bad debts are established at varying levels based on the age of the receivables and the payor source. For receivables relating to self-pay patients, a provision for bad debts is made in the period services are rendered based on experience indicating the inability or unwillingness of patients to pay amounts for which they are financially responsible. Actual write-offs are charged against the allowance for doubtful accounts.

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 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.

Temporarily donor-restricted investment income and gains (losses) on investments on donor-restricted investments are recorded within temporarily restricted net assets until expended in accordance with the donor's restrictions

Assets Limited as to Use

Assets limited as to use primarily include assets held by trustees under debt agreements for future capital improvements and debt service

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Donor-Restricted Gifts

Unconditional promises to give cash and other assets to the Hospital 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 conditions on which they depend are substantially met. 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 donor restrictions expire, 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 activities 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.

Supplies

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

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 asset's estimated useful life. 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.

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Deferred Financing Costs

Deferred financing costs represent costs incurred in connection with the issuance of long-term debt. Such costs are amortized over the term of the respective debt using the straight-line method. Deferred financing costs are recorded net of accumulated amortization of \$25,222 and \$18,121 as of September 30, 2011 and 2010, respectively.

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 contracts. The interest rate swap contracts are not designated as cash flow hedges, and thus are included within nonoperating gains (losses).

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by the Hospital have 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 for operations or net assets released from restrictions used for capital acquisition.

Nonoperating Gains (Losses)

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

Contributions

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is, at the time when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contribution. An allowance for uncollectible contributions receivable is provided based upon management's judgment of potential defaults. The determination includes such factors as prior collection history, type of contribution and nature of fund raising activity.

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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 the fiscal year ending September 30, 2011. As a result, the 2010 financial statements have been restated for comparative purposes.

Net Patient Service Revenue

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from 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 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. Management believes that adequate provision has been made for adjustments that may result from final determination of amounts earned under these programs.

Excess of Revenues, Gains and Other Support Over Expenses and Losses

The statement of operations includes excess of revenues, gains, and other support over expenses and losses. Changes in unrestricted net assets which are excluded from this measure, consistent with industry practice, include assets released from restrictions for capital acquisitions.

Charity Care

The Hospital provides care, without charge or at amounts less than its established rates, to patients who meet certain criteria under its charity care policy. The criteria for charity care consider such factors as family income and net worth. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue.

Income Taxes

The Hospital is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code, and is exempt from federal income taxes on related income.

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Subsequent Events

For purposes of the preparation of these financial statements in conformity with GAAP, the Hospital has considered transactions or events through December 13, 2011, which was the date the financial statements were issued.

The Hospital is currently providing limited management services to Upper Connecticut Valley Hospital ("UCVH"), a neighboring hospital, located in Colebrook, New Hampshire. These services consist of limited financial management oversight two days per week. The Hospital is being compensated for these services based on the allocated salary and benefits of the personnel performing these services.

It is contemplated that a transition will occur in the near future whereby these management services will be provided through a management services agreement between UCVH and a limited liability company, Northern New Hampshire Healthcare Collaborative, LLC. (LLC), in which both of these hospitals and a third, Androscoggin Valley Hospital, will be members.

Reclassifications

Certain reclassifications have been made to the 2010 financial statements to conform to the 2011 presentation.

2. Net Patient Service Revenue and Patient Accounts Receivable

Net Patient Service Revenue

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

	<u>2011</u>	<u>2010</u>
Gross patient service revenue	\$ 66,142,977	\$ 69,870,866
Less contractual allowances	<u>(22,029,742)</u>	<u>(24,324,758)</u>
Less charity care	<u>(2,846,651)</u>	<u>(2,540,995)</u>
Patient service revenue (net of contractual allowances and discounts)	41,266,584	43,005,113
Less provision for bad debts	<u>2,531,263</u>	<u>3,036,568</u>
Net patient service revenue	<u>\$ 38,735,321</u>	<u>\$ 39,968,545</u>

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Notes to Financial Statements
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Patient Accounts Receivable

Patient accounts receivable is stated net of estimated contractual allowances and allowances for doubtful accounts as of September 30:

	<u>2011</u>	<u>2010</u>
Gross patient accounts receivable	\$ 9,584,765	\$10,548,521
Less. Estimated contractual allowances	2,468,566	2,765,576
Estimated allowance for doubtful accounts and charity care	<u>2,455,733</u>	<u>2,621,525</u>
Net patient accounts receivable	\$ <u>4,660,466</u>	\$ <u>5,161,420</u>

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

During 2011, the Hospital decreased its estimate from \$1,016,199 to \$871,552 in the allowance for doubtful accounts relating to self-pay patients and decreased such estimate from \$211,734 and \$176,354 for doubtful accounts relating to third-party payors. During 2011, self-pay write-offs decreased from \$3,001,049 to \$2,677,051. Such decreases resulted from trends experienced in the collection of amounts from self-pay patients and third party payors.

Medicare

The Hospital is a Critical Access Hospital (CAH). Under the CAH program, the Hospital is reimbursed at 101% of allowable costs for its inpatients 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 Hospital's Medicare cost reports have been audited by the fiscal intermediary through September 30, 2008. The Hospital's home health program is reimbursed at prospective rates based on a 60-day episode of care. The prospective rates are not subject to retroactive cost reimbursement.

Medicaid

Inpatient services rendered to Medicaid program beneficiaries are reimbursed under prospectively determined per-diem rates. The prospectively determined per-diem rates are not subject to retroactive adjustment. Outpatient services rendered to Medicaid beneficiaries are reimbursed on a cost reimbursement methodology and a national fee schedule for certain services. The Hospital 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 fiscal intermediary. The Hospital's Medicaid cost reports have been audited by the fiscal intermediary through September 30, 2008.

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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 earners 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 49% and 11%, respectively, of the Hospital's net patient service revenue for the year ended 2011, and 49% and 12%, respectively, of the Hospital's net patient service revenue for the year ended 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. Net patient service revenue decreased approximately \$85,540 in 2011 and increased approximately \$698,500 in 2010, due to differences in settlements from amounts previously estimated.

The Hospital recognizes patient service revenue relating to services rendered to patients having third-party payor coverage on the basis of contractual rates for such services. For services rendered to self-pay or uninsured patients, revenue is recognized on the basis of standard or negotiated discounted rates. At the time services are rendered to self-pay patients, a provision for bad debts is recorded based on experience and the effects of newly identified circumstances and trends in pay rates. Patient service revenue, net of contractual allowances and discounts but before the provision for bad debts, recognized during 2011 totaled \$41,266,584, of which \$36,374,969 was revenue from third-party payors and \$4,891,615 was revenue from self-pay patients. Patient service revenue, net of contractual allowances and discounts but before the provision for bad debts, recognized during 2010 totaled \$43,005,113, of which \$37,922,392 was revenue from third-party payors and \$5,082,721 was revenue from self-pay patients.

3. Community Benefit

The Hospital provides services without charge or at amounts less than the established rates, to parties who meet the criteria of its charity care policy. The criteria for charity care measures family income against the income poverty guidelines established by the Department of Health and Human Services (DHHS).

Discounts are provided on a sliding scale based on the relationship of family size and income level against the income poverty guidelines established by DHHS and as set forth in the charity care policy.

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The net cost of charity care provided was approximately \$1,790,033 and \$1,468,708 for the years ended September 30, 2011 and 2010, respectively. The total cost estimate is based on an overall cost to charge ratio applied against gross charity care charges. In 2011 and 2010, 4.3% and 3.6%, respectively, of all services as defined by percentage of gross revenue was provided on a charity care basis.

In 2011, of a total of 858 inpatients, 79 received their entire episode of service on a charity care basis. In 2010, of a total of 1,014 inpatients, 63 received their entire episode of service on a charity care basis.

In 2011, of a total of 77,074 outpatients, 4,775 received their entire episode of service on a charity care basis. In 2010, of a total of 81,868 outpatients, 4,175 received their entire episode of service on a charity care basis.

4. Property and Equipment

The major categories and estimated useful lives of property and equipment are as follows:

	<u>2011</u>	<u>2010</u>
Land and improvements	\$ 975,177	\$ 822,490
Buildings	13,047,144	11,962,049
Fixed equipment - buildings and improvements	10,304,791	8,848,568
Fixed equipment - departmental	622,632	622,668
Major movable equipment	8,870,352	8,429,290
Construction in progress	<u>1,415,886</u>	<u>520,763</u>
	35,235,982	31,205,828
Less: accumulated depreciation	<u>18,703,418</u>	<u>16,874,912</u>
	<u>\$ 16,532,564</u>	<u>\$14,330,916</u>

Construction in progress as of September 30, 2011 primarily consists of costs related to the various components of the Electronic Health Record project. Phase I of the project was substantially complete as of September 30, 2011. Phase II is expected to be completed by September 30, 2012. The estimated cost of completion is approximately \$1,500,000.

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5. Investment and Investment Income

Investments consisted of the following as of September 30:

	<u>2011</u>	<u>2010</u>
Internally designated investments		
Cash and cash equivalents	\$ 481,707	\$ 467,847
Marketable equity securities	4,985,788	4,816,439
Bonds - government and corporate obligations	<u>5,245,341</u>	<u>4,799,585</u>
	<u>10,712,836</u>	<u>10,083,871</u>
Restricted investments		
Cash and cash equivalents	152,475	224,069
Certificate of deposit	327,280	327,280
Marketable equity securities	136,190	188,843
Bonds - government and corporate obligations	<u>870,419</u>	<u>1,360,087</u>
	<u>1,486,364</u>	<u>2,100,279</u>
Other investments		
Local stock	<u>3,956</u>	<u>3,956</u>
	<u>\$ 12,203,156</u>	<u>\$ 12,188,106</u>

Other investments include donations over the years of local stock. The stock's market value is not readily determinable and is not available on a securities exchange registered with the Securities and Exchange Commission, thus, it is recorded at cost.

Total investment return is comprised of the following for the years ended September 30:

	<u>2011</u>	<u>2010</u>
Interest and dividend income	\$ 365,123	\$ 468,410
Unrealized (losses) gains	(275,428)	432,227
Realized gains	<u>7,136</u>	<u>129,748</u>
	<u>\$ 96,831</u>	<u>\$ 1,030,385</u>

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Endowment

Return Objectives and Risk Parameters

The Hospital has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Hospital must hold in perpetuity or for a donor-specified period(s). Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 index while assuming a moderate level of investment risk. The Hospital expects its endowment funds, over time, to provide an average rate of return of approximately 9 percent annually. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Hospital relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Hospital targets a diversified asset allocation that places a weighted ratio on equity-based and fixed income investments to achieve its long-term return objectives within prudent risk constraints.

Uniform Prudent Management of Institutional Funds Act

Effective July 1, 2008, the State of New Hampshire adopted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) enacted as RSA Chapter 292-B. This RSA replaces its predecessor, the Uniform Management of Institutional Funds Act, and provides guidance and special rules for the management of endowment funds. Unexpended investment income on permanently restricted net assets is required to be reported as temporarily restricted net assets until expended.

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Endowment Net Asset Composition by Type of Fund as of September 30:

	Temporarily Restricted	Permanently Restricted	Total
Balances, October 1, 2009	\$ 679,121	\$ 911,914	\$1,591,035
Investment return			
Investment income, net	47,273	-	47,273
Net appreciation (realized and unrealized)	70,765	-	70,765
Total investment return	118,038	-	118,038
Appropriation of endowment assets of expenditure	(46,310)	-	(46,310)
Balances, September 30, 2010	750,849	911,914	1,662,763
Investment return			
Investment income, net	98	-	98
Net appreciation (realized and unrealized)	(67,920)	-	(67,920)
Total investment return	(67,822)	-	(67,822)
Contributions	-	5,000	5,000
Appropriation of endowment assets for expenditure	(568,664)	-	(568,664)
Balances, September 30, 2011	\$ 114,363	\$ 916,914	\$1,026,277

6. Borrowings

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

	<u>2011</u>	<u>2010</u>
Business Finance Authority of the State of New Hampshire variable rate (2.59% at September 30, 2011) Hospital Revenue Series 2010 Bonds due September 2030. Principal payments are due in annual installments, ranging from \$319,500 in 2012 to \$760,000 in 2030.	\$ 9,700,000	\$10,000,000
Capital lease obligations, at various rates, due 2012 through 2016; collateralized by leased equipment.	162,427	275,016
	9,862,427	10,275,016
Less current maturities	434,780	410,171
	\$ 9,427,647	\$ 9,864,845

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On September 1, 2010, the Hospital, in conjunction with the Business Finance Authority of the State of New Hampshire (the Authority), issued \$10,000,000 of tax-exempt revenue bonds (Series 2010) to finance the Hospital's construction project and to make advance payment on the outstanding balance of \$7,635,000 of the Series 2005 bonds. The Hospital granted the Authority a security interest in gross receipts or collateral subject to permitted encumbrances. Approximately \$6,843,000 was deposited with a trustee for the refunded bonds and used in connection with the refunding. As part of the transaction, the Hospital provided a cash contribution of approximately \$625,000 and recognized a loss on an early extinguishment of debt of \$382,048.

All bonds require that the Hospital meet certain covenants. As of September 30, 2011 and 2010, the Hospital was in compliance with these covenants.

The Hospital's agreement with the Authority 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.

Estimated maturities for long-term debt in subsequent fiscal years from September 30, 2011 are as follows:

	Long-Term Debt (Excluding Capital Lease Obligations)	Capital Lease Obligations
2012	\$ 319,500	\$ 122,649
2013	339,000	21,198
2014	339,000	11,856
2015	390,000	11,856
2016	390,000	8,091
Thereafter	<u>7,922,500</u>	<u>-</u>
	<u>\$ 9,700,000</u>	175,650
Less amounts representing interest		<u>13,223</u>
		<u>\$ 162,427</u>

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Interest Rate Swap

In connection with the issuance of the 2005 bonds, the Hospital entered into three interest rate swap agreements to hedge the interest rate risk associated with the 2005 bonds. The swaps were retained subsequent to the refinancing in 2010. Under these agreements, the Hospital makes and receives payments based on the difference between the fixed-rate interest payments and the variable market-indexed payments. The notional amounts of the interest rate swaps outstanding totaled \$5,660,350 and \$5,781,550 at September 30, 2011 and 2010, respectively. The two interest rate swap agreements expiring on June 30, 2015 require the Hospital pay a fixed interest rate of 4.64% and 3.67% in exchange for a variable rate of USD-LIBOR-BBA and USD-BMA Municipal Swap Index, respectively. The interest rate swap agreement expiring on June 30, 2020 requires the Hospital pay a fixed interest rate of 3.84% in exchange for a variable rate of USD-BMA Municipal Swap Index.

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' 20-year holding period, the annually calculated value of the swap will be reported as an asset if the interest rates increase above those in effect on the date the swap was entered into (and as an unrealized gain in the statements 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 statements 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 20-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 \$822,038 and \$804,921 at September 30, 2011 and 2010, respectively.

7. Commitments and Contingencies

Liability Insurance Coverage

Effective October 1, 2008, the Hospital insures its comprehensive general liability and professional liability exposures on a claims-made basis, including prior acts coverage, with a commercial carrier. The coverage is provided by primary and excess insurance policies subject to shared policy limits with other selected NEAH entities located in Massachusetts, New Hampshire and Vermont. The policies are renewable on an annual basis and have been renewed through September 30, 2011. All known significant asserted and unasserted claims alleging malpractice have been communicated to the insurer who is responsible for resolving the claim and the related costs of litigation. An event is insured at the time it is reported to the insurer even if a claim is not yet asserted.

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Health Insurance

In January 2008, the Hospital established an HMO medical plan and a high deductible health savings account (HSA) plan for their employees. The HSA is funded by the employees, and a deduction is available pre-tax through payroll. In order to assist employees with meeting this higher deductible, the Hospital also established a Health Reimbursement Account (HRA) which will reimburse employees for medical expenses incurred over their portion of the deductible, until the full deductible is met. If expenses over their portion of the deductible are not met by the employee, the HRA funds remain the property of the Hospital. All HSA funds contributed by the employee remain their property.

The HSA plan has a single person deductible of \$5,000, of which the Hospital would reimburse the last \$3,675 and a two person or family plan total deductible of \$10,000, of which the Hospital would reimburse the last \$7,350.

As of September 30, 2011 and 2010, a reserve was established in the amount of \$200,687 and \$253,634 respectively, to fund potential claims by employees who are eligible for reimbursement for their incurred deductible expenses through the HRA.

Disproportionate Share Payments

Medicaid disproportionate share hospital (DSH) payments provide financial assistance to hospitals that serve a large number of low-income patients. The federal government distributes federal DSH funds to each state based on a statutory formula. The states, in turn, distribute their portion of the DSH funding among qualifying hospitals. The states are to use their federal DSH allotments to help cover costs of hospitals that provide care to low-income patients when those costs are not covered by other payors. The State of New Hampshire's plan for the distribution of DSH monies to the Hospitals has not yet been approved by the Centers for Medicare and Medicaid Services. Amounts recorded by the Hospital are therefore subject to change.

8. Retirement Plan

The Hospital has a 403(b) tax sheltered annuity plan that covers substantially all full-time employees. Contributions are computed as a percentage of earnings and are funded as accrued. The pension plan expense for the years ended September 30, 2011 and 2010 was \$520,457 and \$533,366, respectively.

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9. Temporarily and Permanently Restricted Net Assets

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

	<u>2011</u>	<u>2010</u>
Indigent care	\$ 257,387	\$ 240,207
Health education	197,700	197,309
Endowment accumulated earnings	<u>114,363</u>	<u>750,849</u>
	<u>\$ 569,450</u>	<u>\$ 1,188,365</u>

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

	<u>2011</u>	<u>2010</u>
Investments to be held in perpetuity, the income from which is expendable to support health care services (reported as non-operating income)	<u>\$ 916,914</u>	<u>\$ 911,914</u>

During 2011 and 2010, net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes of capital acquisitions, indigent care and health care education in the amounts of \$640,658 and \$88,840, respectively.

10. Concentration of Credit Risk

The Hospital maintains cash balances at several financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At times during the year, the Hospital's cash in bank exceeded insured limits. The Hospital has not incurred any losses from uninsured cash in bank as of September 30, 2011.

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

	<u>2011</u>	<u>2010</u>
Medicare	36 %	33 %
Medicaid	5	6
Blue Cross/HMO	10	9
Other third-party payors	16	17
Patients	<u>33</u>	<u>35</u>
	<u>100 %</u>	<u>100 %</u>

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11. Functional Expenses

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

	<u>2011</u>	<u>2010</u>
Health care services	\$35,539,437	\$37,848,777
General and administrative	<u>4,846,287</u>	<u>3,743,286</u>
	<u>\$40,385,724</u>	<u>\$41,592,063</u>

12. Fair Value of Financial Instruments

The Hospital's financial instruments consist of cash and cash equivalents, marketable securities, trade accounts receivable and payable, estimated third-party payor settlements and long-term debt. The fair values of all financial instruments approximate their carrying values at September 30, 2011.

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. FASB 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.

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

<u>Fair Value Measurements at September 30, 2011</u>				
	<u>Total</u>	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	\$ 634,182	\$ 634,182	\$ -	\$ -
Certificates of deposit	327,280	327,280	-	-
Marketable equity securities				
Materials	382,000	382,000	-	-
Industrials	879,926	879,926	-	-
Telecommunications	195,960	195,960	-	-
Consumer	1,205,449	1,205,449	-	-
Energy	539,246	539,246	-	-
Financial services	282,003	282,003	-	-
Health care	480,508	480,508	-	-
Information technology	734,934	734,934	-	-
Equity funds	173,742	173,742	-	-
Other	<u>248,210</u>	<u>248,210</u>	<u>-</u>	<u>-</u>
Total marketable equity securities	5,121,978	5,121,978	-	-
Corporate bonds	4,267,384	-	4,267,384	-
U.S. Treasury obligations and government securities	1,848,376	1,848,376	-	-
Local stock	<u>3,956</u>	<u>-</u>	<u>-</u>	<u>3,956</u>
Total assets at fair value	<u>\$12,203,156</u>	<u>\$ 7,931,816</u>	<u>\$ 4,267,384</u>	<u>\$ 3,956</u>
Liabilities				
Interest rate swap	<u>\$ 822,038</u>	<u>\$ -</u>	<u>\$ 822,038</u>	<u>\$ -</u>

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<u>Fair Value Measurements at September 30, 2010</u>				
		Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	<u>Total</u>			
Assets				
Cash and cash equivalents	\$ 691,916	\$ 691,916	\$ -	\$ -
Certificates of deposit	327,280	327,280	-	-
Marketable equity securities				
Materials	283,818	283,818	-	-
Industrials	938,013	938,013	-	-
Telecommunications	167,275	167,275	-	-
Consumer	1,131,592	1,131,592	-	-
Energy	495,862	495,862	-	-
Financial services	235,573	235,573	-	-
Health care	445,571	445,571	-	-
Information technology	837,548	837,548	-	-
Equity funds	210,781	210,781	-	-
Other	<u>259,249</u>	<u>259,249</u>	<u>-</u>	<u>-</u>
Total marketable equity securities	5,005,282	5,005,282	-	-
Corporate bonds	4,281,841	-	4,281,841	-
U.S. Treasury obligations and government securities	1,877,831	1,877,831	-	-
Local stock	<u>3,956</u>	<u>-</u>	<u>-</u>	<u>3,956</u>
Total assets at fair value	<u>\$12,188,106</u>	<u>\$ 7,902,309</u>	<u>\$ 4,281,841</u>	<u>\$ 3,956</u>
Liabilities				
Interest rate swap	<u>\$ 804,921</u>	<u>\$ -</u>	<u>\$ 804,921</u>	<u>\$ -</u>

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The fair value for Level 2 assets is primarily based on market prices of comparable securities, interest rates, and credit risk. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the instrument.

The fair value of Level 3 local stock is based on the cost at the time of donation

