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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
Alice Peck Day Memorial Hospital

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
125 MASCOMA STREET

City or town, state or country, and ZIP + 4
LEBANON, NH 037662647

D Employer identification number
02-0222791

E Telephone number
(603) 448-3121

G Gross receipts $ 52,744,048

F Name and address of principal officer
HARRY G DORMAN III
125 MASCOMA STREET
LEBANON,NH 037662647

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

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

H(c) Group exemption number ▶

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

J Website: ▶ WWW ALICEPECKDAY ORG

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶ | **L** Year of formation 1943 | **M** State of legal domicile NH

Part I Summary

1 Briefly describe the organization's mission or most significant activities
CRITICAL ACCESS HOSPITAL

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

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	21
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	18
5	Total number of individuals employed in calendar year 2010 (Part V, line 2a)	**5**	494
6	Total number of volunteers (estimate if necessary)	**6**	106
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	0
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	1,029,971	462,323
9	Program service revenue (Part VIII, line 2g)	42,411,307	50,223,338
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	137,115	106,115
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	48,297	40,165
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	43,626,690	50,831,941
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)		41,450
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)	23,580,477	28,733,724
16a	Professional fundraising fees (Part IX, column (A), line 11e)		86,744
b	Total fundraising expenses (Part IX, column (D), line 25) ▶370,053		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	17,285,987	20,456,710
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	40,866,464	49,318,628
19	Revenue less expenses Subtract line 18 from line 12	2,760,226	1,513,313

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	28,392,505	33,647,872
21	Total liabilities (Part X, line 26)	15,278,155	19,624,880
22	Net assets or fund balances Subtract line 21 from line 20	13,114,350	14,022,992

Part II Signature Block

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

Sign Here

****** | 2012-05-08
Signature of officer | Date

EVALIE M CROSBY VP FINANCE & CFO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check if self-employed ▶☐	PTIN
Elizabeth Loudermilk	Elizabeth Loudermilk			
Firm's name ▶ BAKER NEWMAN & NOYES				Firm's EIN ▶
Firm's address ▶ 650 ELM ST SUITE 302 MANCHESTER, NH 03101				Phone no ▶ (800) 244-7444

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission

THE MISSION OF ALICE PECK DAY MEMORIAL HOSPITAL IS TO PROVIDE PATIENT-FOCUSED HEALTH CARE SERVICES THAT ARE RESPONSIVE TO COMMUNITY NEEDS, TO PROMOTE WELLNESS, AND TO CONTINUALLY IMPROVE THE QUALITY OF HEALTHCARE SERVICES IN THE COMMUNITY

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 $ 45,652,832 including grants of $ 41,450) (Revenue $ 50,127,040)

ALICE PECK DAY MEMORIAL HOSPITAL IS A COMMUNITY-BASED HOSPITAL OPERATING IN LEBANON NH THE HOSPITAL BEGAN AS A SMALL COTTAGE HOSPITAL IN 1932 FROM ITS HUMBLE BEGINNINGS, ALICE PECK DAY HAS CONTINUALLY DEMONSTRATED ITS COMMITMENT TO PROVIDE PATIENT-FOCUSED HEALTH CARE SERVICES WHICH IMPROVE THE QUALITY OF LIFE WITHIN ITS COMMUNITY AND PROMOTE WELLNESS FOR ALL ALICE PECK DAY MEMORIAL HOSPITAL IS A CHARITABLE HEALTH CARE ORGANIZATION WHICH IS DEDICATED TO SERVING ITS COMMUNITY THIS COMMITMENT INCLUDES GRANTING CREDIT TO PATIENTS, SUBSTANTIALLY ALL OF WHOM ARE LOCAL RESIDENTS THE HOSPITAL PROVIDES CARE TO PATIENTS WHO MEET CERTAIN CRITERIA UNDER ITS CHARITY CARE POLICY WITHOUT CHARGE OR AT AMOUNTS LESS THAN THE ESTABLISHED RATES COLLECTIONS ARE NOT PURSUED FOR AMOUNTS DETERMINED TO QUALIFY AS CHARITY CARE THE HOSPITAL MAINTAINS RECORDS TO IDENTIFY AND MONITOR THE LEVEL OF CHARITY CARE IT PROVIDES THESE RECORDS INCLUDE THE AMOUNT OF CHARGES FOREGONE FOR SERVICES AND SUPPLIES FURNISHED UNDER ITS CHARITY CARE POLICY, THE ESTABLISHED COSTS OF THE SERVICES AND SUPPLIES AND EQUIVALENT SERVICE STATISTICS FOR THE YEAR ENDED SEPTEMBER 30, 2011 CHARGES FORGONE BASED ON ESTABLISHED RATES WERE $942,000 WITH CHARITY CARE AT COST OF $629,000 ESTIMATED COSTS INCURRED IN EXCESS OF PAYMENT FOR INPATIENT AND OUTPATIENT SERVICES FOR MEDICAID PATIENTS IN THE YEAR ENDED SEPTEMBER 30, 2011 WERE $1,994,000 IN ADDITION TO THE CHARITY CARE SERVICES DESCRIBED ABOVE, THE HOSPITAL PROVIDED A NUMBER OF OTHER SERVICES FOR WHICH LITTLE OR NO PAYMENT WAS RECEIVED SERVICES INCLUDED COMMUNITY HEALTH SERVICES, HEALTH PROFESSIONAL EDUCATION, COMMUNITY BUILDING ACTIVITIES, AND COMMUNITY BENEFIT PROGRAMS SERVICES RANGED FROM COMMUNITY FLU CLINICS, UPPER VALLEY SMILES DENTAL PROGRAM, STUDENT AND PROFESSIONAL EDUCATION, EMERGENCY PHARMACY VOUCHERS AND INCLUDED MANY OTHER PROGRAMS WHICH CONTRIBUTED TO AND SUPPORTED OUR COMMUNITY AS A LOCAL HOSPITAL, ALICE PECK DAY WORKS CLOSELY WITH COMMUNITY ORGANIZATIONS TO ADDRESS COMMUNITY NEEDS ORGANIZATIONS THAT WERE BENEFICIARIES OF THE HOSPITAL'S STAFF, TIME, AND/OR MATERIALS INCLUDE ALCOHOLICS ANONYMOUS, AARP, AMERICAN LEGION, AMERICAN RED CROSS, AWAKE SUPPORT GROUP, BONNIE CLAC, BROOKSIDE NURSING HOME, CHILDBIRTH EDUCATION AND POSTPARTUM MASSAGE, COMMUNITY HEALTH DEPARTMENT, DARTMOUTH MEDICAL SCHOOL, ELMIRA COLLEGE, GOOD BEGINNINGS OF SULLIVAN COUNTY, GOOD NEIGHBOR HEALTH CLINIC, GRAFTON COUNTY SENIOR CENTER, GRAFTON COUNTY SENIOR CITIZENS COUNCIL, LEBANON AREA CHAMBER OF COMMERCE, LEBANON COLLEGE, LEBANON HOUSING AUTHORITY, LEBANON SCHOOL BIKE RODEO, LEBANON SCHOOL DISTRICT NATURE PROGRAM, OVER-EATERS ANONYMOUS, RIVER VALLEY COMMUNITY COLLEGE, ROGERS HOUSE, SAVVY SENIORS EXERCISE PROGRAM, STORRS HILL, UNITED VALLEY INTERFAITH PROJECT, UPPER VALLEY SMILES DENTAL PROGRAM, VERMONT INSTITUTE OF NATURAL SCIENCES, AND WEST CENTRAL BEHAVORIAL HEALTH IN CERTAIN INSTANCES, ASSISTANCE WAS PROVIDED TO THE COMMUNITY FOR WHICH NO VALUE CAN BE PLACED THIS ASSISTANCE INCLUDED LEADERSHIP IN IDENTIFYING COMMUNITY NEEDS, STAFF COMMITMENT TO VOLUNTEER FOR COMMUNITY ORGANIZATIONS, ADVOCACY AND SUPPORT FOR THE SOCIALY AND PHYSICALY DISADVANTAGED, AND SUPPORT FOR LOCAL PUBLIC SAFETY ORGANIZATIONS ALICE PECK DAY CONSIDERS CARING FOR OUR COMMUNITY A SPECIAL RESPONSIBILITY THAT WE ARE HONORED TO FULFILL THROUGH ITS MANY PROGRAMS, DEDICATED STAFF AND UNWAVERING COMMITMENT TO QUALITY CARE, ALICE PECK DAY WORKS TO EXCEED THESE EXPECTATIONS AND MAKE A REAL DIFFERENCE IN OUR COMMUNITY

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** ▶ $ 45,652,832

Part IV Checklist of Required Schedules

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

Part IV Checklist of Required Schedules *(continued)*

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

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	1a	61		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			1c Yes	
2a	Enter the number of employees reported on Form W-3, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	2a	494		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?			2b Yes	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)				
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?			3a	No
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*			3b	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?			4a	No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?			5a	No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			5b	No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?			5c	
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?			6a	No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			6b	
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?			7a	
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 21		
b	Enter the number of voting members included in line 1a, above, who are independent	1b 18		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? . .	3		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .	5		No
6	Does the organization have members or stockholders?	6	Yes	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a	Yes	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons? . .	7b	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body?	8a	Yes	
b	Each committee with authority to act on behalf of the governing body?	8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9		No

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

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

Section C. Disclosure

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

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

☑ Own website ☐ Another's website ☑ Upon request

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

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

ELIZABETH LOUDERMILK
125 MASCOMA STREET
LEBANON, NH 037662647
(603) 448-3121

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

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

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
See Additional Data Table										
1b **Sub-Total**										
c **Total from continuation sheets to Part VII, Section A**										
d **Total (add lines 1b and 1c)**								1,678,754	458,840	215,336

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 ▶ 25

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
MT ASCUTNEY HOSP AND HEALTH CTR 289 COUNTY RD WINDSOR, VT 05089	PROFESSIONAL SERVICE	554,930
LAVALLEE BRENSINGER ARCHITECTS 155 DOW ST SUITE 400 MANCHESTER, NH 03101	ARCHITECTS	523,136
UPPER VALLEY NEUROLOGY 106 HANOVER ST LEBANON, NH 03766	PROFESSIONAL SERVICE	266,765
VALLEY REGIONAL HOSPITAL 243 ELM ST CLAREMONT, NH 03743	LAB SERVICES	191,690
COMBINED SERVICES PO BOX 1320 CONCORD, NH 03301	PLAN ADMINISTRATION	141,693

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 ▶ 7

Part VIII Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a Federated campaigns . .	1a				
	b Membership dues	1b				
	c Fundraising events	1c				
	d Related organizations . . .	1d				
	e Government grants (contributions)	1e				
	f All other contributions, gifts, grants, and similar amounts not included above	1f	462,323			
	g Noncash contributions included in lines 1a-1f $					
	h **Total.** Add lines 1a-1f . . . . . ▶		462,323			
Program Service Revenue		Business Code				
	2a PATIENT SERVICE REVENUE	621400	49,962,376	49,962,376		
	b OTHER OPERATING REVENUE	621400	164,664	164,664		
	c NUTRITIONAL REVENUE	900099	96,298			96,298
	d					
	e					
	f All other program service revenue					
	g **Total.** Add lines 2a–2f . . . . . ▶		50,223,338			
	3 Investment income (including dividends, interest and other similar amounts) . . . . . ▶		77,420			77,420
	4 Income from investment of tax-exempt bond proceeds . . ▶		0			
	5 Royalties . . . . . ▶		0			
		(i) Real	(ii) Personal			
	6a Gross Rents	53,827				
	b Less rental expenses	13,662				
	c Rental income or (loss)	40,165				
	d Net rental income or (loss) . . . . . ▶		40,165			
		(i) Securities	(ii) Other			
	7a Gross amount from sales of assets other than inventory	1,909,789	17,351			
	b Less cost or other basis and sales expenses	1,775,758	122,687			
	c Gain or (loss)	134,031	-105,336			
	d Net gain or (loss) . . . . . ▶		28,695			
Other Revenue	8a Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 . . . a					
	b Less direct expenses . . . b					
	c Net income or (loss) from fundraising events . . ▶		0			
	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 . . . ▶		0			
	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 . . ▶		0			
	Miscellaneous Revenue	Business Code				
	11a					
	b					
	c					
	d All other revenue					
	e **Total.** Add lines 11a–11d . . . . . ▶		0			
	12 **Total revenue.** See Instructions . . . ▶		50,831,941	50,127,040		173,718

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	41,450	41,450		
2 Grants and other assistance to individuals in the U S See Part IV, line 22	0			
3 Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16	0			
4 Benefits paid to or for members	0			
5 Compensation of current officers, directors, trustees, and key employees	610,657	73,289	537,368	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7 Other salaries and wages	22,431,256	21,641,484	611,629	178,143
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	679,040	640,175	33,601	5,264
9 Other employee benefits	3,459,014	3,298,555	133,609	26,850
10 Payroll taxes	1,553,757	1,442,041	99,907	11,809
a Fees for services (non-employees) Management	0			
b Legal	48,872	6,833	42,039	
c Accounting	50,150		50,150	
d Lobbying	0			
e Professional fundraising services *See Part IV, line 17*	86,744			86,744
f Investment management fees	0			
g Other	5,837,459	5,392,445	417,938	27,076
12 Advertising and promotion	2,178	360	1,814	4
13 Office expenses	1,350,990	1,054,689	277,561	18,740
14 Information technology	80,285	76,608	2,914	763
15 Royalties	0			
16 Occupancy	978,255	795,821	174,687	7,747
17 Travel	201,365	179,980	19,655	1,730
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings	0			
20 Interest	325,233	252,446	70,023	2,764
21 Payments to affiliates	0			
22 Depreciation, depletion, and amortization	1,401,317	1,097,091	304,226	
23 Insurance	452,859	442,956	9,527	376
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 BAD DEBT EXPENSE	2,596,394	2,596,394		
b MEDICAID ENHANCEMENT TAX	1,780,816	1,780,816		
c EQUIPMENT RENTAL/MAINTENANCE	498,631	484,592	13,995	44
d MEDICAL SUPPLIES/EQUIPMENT	4,298,449	4,296,546	1,678	225
e ADMIN EXPENSE PAID TO AHS	483,311		483,311	
f All other expenses	70,146	58,261	10,111	1,774
25 **Total functional expenses.** Add lines 1 through 24f	49,318,628	45,652,832	3,295,743	370,053
26 **Joint costs.** Check here ▶ ☐ if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		1,955	1	296,478
	2	Savings and temporary cash investments		4,464,824	2	6,445,524
	3	Pledges and grants receivable, net		8,764	3	73,430
	4	Accounts receivable, net		6,151,124	4	7,551,295
	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		1,158,009	8	1,220,966
	9	Prepaid expenses and deferred charges		194,503	9	372,898
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 34,488,976			
	b	Less accumulated depreciation	10b 22,113,583	11,400,298	10c	12,375,393
	11	Investments—publicly traded securities		2,555,238	11	2,827,079
	12	Investments—other securities See Part IV, line 11		8,500	12	8,500
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets		150,291	14	128,010
	15	Other assets See Part IV, line 11		2,298,999	15	2,348,299
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		28,392,505	16	33,647,872
Liabilities	17	Accounts payable and accrued expenses		6,020,355	17	6,379,747
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		9,021,000	20	12,144,107
	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	495,000
	25	Other liabilities Complete Part X of Schedule D		236,800	25	606,026
	26	**Total liabilities.** Add lines 17 through 25		15,278,155	26	19,624,880
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		11,576,659	27	13,051,788
	28	Temporarily restricted net assets		1,509,626	28	945,364
	29	Permanently restricted net assets		28,065	29	25,840
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		13,114,350	33	14,022,992
	34	Total liabilities and net assets/fund balances		28,392,505	34	33,647,872

Part XI Reconcilliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12) . . .	1	50,831,941
2	Total expenses (must equal Part IX, column (A), line 25)	2	49,318,628
3	Revenue less expenses Subtract line 2 from line 1	3	1,513,313
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . .	4	13,114,350
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-604,671
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	14,022,992

Part XII Financial Statements and Reporting

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

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

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
Alice Peck Day Memorial Hospital

Employer identification number
02-0222791

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 331/3% 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 331/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)

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

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

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

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

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

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

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

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

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

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

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

Section A. Public Support

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

Section B. Total Support

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

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

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

Section C. Computation of Public Support Percentage

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

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

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

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

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

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

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

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

Section A. Public Support

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

Section B. Total Support

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

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

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

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

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

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

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

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

Facts And Circumstances Test

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SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

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

OMB No 1545-0047

2010

Open to Public Inspection

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

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

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

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

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

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

Name of the organization	Employer identification number
Alice Peck Day Memorial Hospital	02-0222791

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

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

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

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

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

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

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

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

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

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

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

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

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

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

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

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

A Check ☐ if the filing organization belongs to an affiliated group

B Check ☐ if the filing organization checked box A and "limited control" provisions apply

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

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

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

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

Lobbying Expenditures During 4-Year Averaging Period

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

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

		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities? If "Yes," describe in Part IV	Yes		9,712
j	Total lines 1c through 1i			9,712
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?		No	

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
PART II-B, LINE 1 (I), OTHER LOBBYING ACTIVITIES	SCHEDULE C	THE ORGANIZATION PAYS DUES TO THE NEW HAMPSHIRE HOSPITAL ASSOCIATION AND THE AMERICAN HOSPITAL ASSOCIATION, A PORTION OF WHICH ARE ATTRIBUTABLE TO LOBBYING ACTIVITIES

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
Alice Peck Day Memorial Hospital

Employer identification number
02-0222791

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

	(a) Current Year	(b) Prior Year	(c) Two Years Back	(d) Three Years Back	(e) Four Years Back
1a Beginning of year balance	28,065	26,827	26,456		
b Contributions					
c Investment earnings or losses	-2,225	1,238	371		
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance	25,840	28,065	26,827		

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

- a Board designated or quasi-endowment ▶
- b Permanent endowment ▶ 100 000 %
- c Term endowment ▶

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

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

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

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

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land	0	927,577		927,577
b Buildings	0	13,343,955	7,387,375	5,956,580
c Leasehold improvements	0	191,748	175,823	15,925
d Equipment	0	17,219,287	13,740,896	3,478,391
e Other	0	2,806,409	809,489	1,996,920
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				12,375,393

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

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

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

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

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

(a) Description	(b) Book value
(1) DUE FROM AFFILIATES	2,348,299
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	2,348,299

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

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	0
DEFERRED ANNUITY	61,218
ESTIMATED 3RD PARTY SETTLEMENTS	328,319
INTEREST RATE SWAP	216,489
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	606,026

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

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

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	50,831,941
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	49,318,628
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	1,513,313
4	Net unrealized gains (losses) on investments	4	-234,459
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	-370,212
9	Total adjustments (net) Add lines 4 - 8	9	-604,671
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	908,642

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	50,598,246
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a			
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV)	2d	13,662		
e	Add lines **2a** through **2d**			2e	13,662
3	Subtract line **2e** from line **1**			3	50,584,584
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b	247,357		
c	Add lines **4a** and **4b**			4c	247,357
5	Total Revenue Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12)			5	50,831,941

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

1	Total expenses and losses per audited financial statements			1	49,332,290
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	13,662		
e	Add lines **2a** through **2d**			2e	13,662
3	Subtract line **2e** from line **1**			3	49,318,628
4	Amounts included on Form 990, Part IX, line 25, but not on line **1:**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total expenses Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18)			5	49,318,628

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
FORM 990, SCHEDULE D, PART X		THE SYSTEM CONSISTS OF NOT-FOR-PROFIT CORPORATIONS AS DESCRIBED IN SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE, ALL OF WHICH ARE EXEMPT FROM FEDERAL INCOME TAXES ON RELATED INCOME PURSUANT TO SECTION 501(A) OF THE CODE THE SYSTEM ADOPTED FASB INTERPRETATION NO 48 (FIN 48), ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES - AN INTERPRETATION OF FASB STATEMENT NO 109, EFFECTIVE OCTOBER 1, 2007 THE SYSTEM HAS EVALUATED ITS TAX POSITIONS TAKEN IN ACCORDANCE WITH FIN 48 AND HAS DETERMINED THAT THERE IS NO IMPACT ON THE SYSTEM'S CURRENT TAX-EXEMPT STATUS, OR FINANCIAL POSITION OR RESULTS OF OPERATIONS FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010 WITH FEW EXCEPTIONS, THE SYSTEM IS NO LONGER SUBJECT TO INCOME TAX EXAMINATION BY THE U S FEDERAL OR STATE TAX AUTHORITIES FOR YEARS PRIOR TO 2008
FORM 990, SCHEDULE D, PART XI, LINE 8		CHANGE IN INTEREST RATE SWAP $216,489 LOSS ON EXTINGUISHMENT OF DEBT $148,273 CHANGE IN ANNUITY LIABILITY $ 5,450
FORM 990, SCHEDULE D, PART XII, LINE 2D		RENTAL EXPENSES $13,662
FORM 990, SCHEDULE D, PART XII, LINE 4B		TEMPORARILY RESTRICTED CONTRIBUTIONS $241,908 CHANGE IN ANNUITY LIABILITY $ 5,449
FORM 990, SCHEDULE D, PART XIII, LINE 2D		RENTAL EXPENSES $13,662

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SCHEDULE G (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

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.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
Alice Peck Day Memorial Hospital

Employer identification number
02-0222791

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
- **b** ☑ Internet and e-mail solicitations
- **c** ☐ Phone solicitations
- **d** ☑ In-person solicitations
- **e** ☑ Solicitation of non-government grants
- **f** ☑ Solicitation of government grants
- **g** ☐ Special fundraising events

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? Yes	**(iii)** No	**(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
GRAHAM-PELTON CONSULTING INC 39 BEECHWOOD RD SUMMIT, NJ 07901	CONSULTING		No		44,000	
J DONOVAN ASSOCIATES 400 CUMMING CENTER SUITE 333-D BEVERLY, MA 01945	CONSULTING		No		42,744	
Total . . . . . ▶					86,744	

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

NH

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.

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

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.

		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (Add col (a) through col (c))
Revenue	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

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
Alice Peck Day Memorial Hospital

Employer identification number
02-0222791

Part I Financial Assistance and Certain Other Community Benefits at Cost

			Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a .	1a	Yes	
b	If "Yes," is it a written policy?	1b	Yes	
2	If the organization has multiple hospitals, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year ☐ Applied uniformly to all hospitals ☐ Applied uniformly to most hospitals ☐ Generally tailored to individual hospitals			
3	Answer the following based on the the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year			
a	Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing *free* care to low income individuals? If "Yes," indicate which of the following is the FPG family income limit for eligibility for free care ☐ 100% ☐ 150% ☑ 200% ☐ Other _____ %	3a	Yes	
b	Does the organization use FPG to determine eligibility for providing *discounted* care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care . . . . . ☐ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☑ Other 212. %	3b	Yes	
c	If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care			
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year? . . .	5a	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b	Yes	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		No
6a	Does the organization prepare a community benefit report during the tax year?	6a	Yes	
6b	If "Yes," did the organization make it available to the public?	6b	Yes	
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheets 1 and 2)			629,484		629,484	1 350 %
b Unreimbursed Medicaid (from Worksheet 3, column a)			6,028,361	4,034,124	1,994,237	4 270 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs			6,657,845	4,034,124	2,623,721	5 620 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)			142,681		142,681	0 310 %
f Health professions education (from Worksheet 5)			94,827		94,827	0 200 %
g Subsidized health services (from Worksheet 6)			8,973,501	5,676,080	3,297,421	7 060 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions to community groups (from Worksheet 8)			79,917		79,917	0 170 %
j **Total** Other Benefits			9,290,926	5,676,080	3,614,846	7 740 %
k **Total.** Add lines 7d and 7j			15,948,771	9,710,204	6,238,567	13 360 %

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			6,778		6,778	0 010 %
3	Community support			8,475		8,475	0 020 %
4	Environmental improvements						
5	Leadership development and training for community members						
6	Coalition building			1,667		1,667	
7	Community health improvement advocacy			13,029		13,029	0 030 %
8	Workforce development						
9	Other						
10	**Total**			29,949		29,949	0 060 %

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 Heathcare Financial Management Association Statement No 15?		1	Yes	
2	Enter the amount of the organization's bad debt expense (at cost)	2	1,735,949		
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	100,000		
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	14,850,102
6	Enter Medicare allowable costs of care relating to payments on line 5	6	14,703,883
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	146,219
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used		

☐ Cost accounting system ☑ Cost to charge ratio ☐ Other

Section C. Collection Practices

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

Part IV Management Companies and Joint Ventures

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

Part V Facility Information

Section A. Hospital Facilities

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

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

	Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
1	ALICE PECK DAY MEMORIAL HOSPITAL 125 MASCOMA ST LEBANON,NH 03766	X	X			X		X		PHYSICIAN CLINICS

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

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

How many non-hospital facilities did the organization operate during the tax year? **9**

	Name and address	Type of Facility (Describe)
1	RAM CENTER FOR COMMUNITY CARE 125 MASCOMA ST 5 LEBANON,NH 03766	PRIMARY CARE PHYSICIAN CLINIC
2	RAM CENTER FOR COMMUNITY CARE 125 MASCOMA ST 5 LEBANON,NH 03766	PRIMARY CARE PHYSICIAN CLINIC
3	RAM CENTER FOR COMMUNITY CARE 125 MASCOMA ST 5 LEBANON,NH 03766	PRIMARY CARE PHYSICIAN CLINIC
4	RAM CENTER FOR COMMUNITY CARE 125 MASCOMA ST 5 LEBANON,NH 03766	PRIMARY CARE PHYSICIAN CLINIC
5	RAM CENTER FOR COMMUNITY CARE 125 MASCOMA ST 5 LEBANON,NH 03766	PRIMARY CARE PHYSICIAN CLINIC
6	RAM CENTER FOR COMMUNITY CARE 125 MASCOMA ST 5 LEBANON,NH 03766	PRIMARY CARE PHYSICIAN CLINIC
7	RAM CENTER FOR COMMUNITY CARE 125 MASCOMA ST 5 LEBANON,NH 03766	PRIMARY CARE PHYSICIAN CLINIC
8	RAM CENTER FOR COMMUNITY CARE 125 MASCOMA ST 5 LEBANON,NH 03766	PRIMARY CARE PHYSICIAN CLINIC
9	RAM CENTER FOR COMMUNITY CARE 125 MASCOMA ST 5 LEBANON,NH 03766	PRIMARY CARE PHYSICIAN CLINIC
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
SCHEDULE H, PART I, LINE 7		THE COSTS OF CHARITY CARE, MEANS-TESTED PROGRAMS AND SUBSIDIZED HEALTH SERVICES ARE CALCULATED USING THE COST TO CHARGE RATIOS CALCULATED USING A STEP-DOWN COST ALLOCATION METHODOLOGY CONSISTENT WITH MEDICARE COST REPORT METHODOLOGY THE COST OF FINANCIAL ASSISTANCE AND OTHER COMMUNITY BENEFITS AT COST ARE 13 36% OF TOTAL EXPENDITURES ON FORM 990, PART IX, COLUMN A, LINE 26, EXCLUDING BAD DEBT EXPENSE

Identifier	ReturnReference	Explanation
SCHEDULE H, PART I, LINE 7, COLUMN (F)		BAD DEBT EXPENSE REPORTED ON FORM 990 PART IX, LINE 25 WAS EXCLUDED FROM TOTAL EXPENSES FOR THE CALCULATION OF NET COMMUNITY BENEFIT EXPENSES AS A PERCENT OF TOTAL EXPENSE

Identifier	ReturnReference	Explanation
SCHEDULE H, PART II		ALICE PECK DAY MEMORIAL HOSPITAL PARTICIPATES IN VARIOUS COMMUNITY BUILDING ACTIVITIES TO PROMOTE AND ADVOCATE FOR THE HEALTH NEEDS OF THE COMMUNITY SIGNIFICANT ACTIVITIES INCLUDE PARTICIPATION IN THE UPPER VALLEY INTERFAITH PROJECT WHICH PROMOTES ADEQUATE PUBLIC TRANSPORTATION IN THE REGION, INCLUDING AVAILABILITY OF TRANSPORTATION FOR HOSPITAL AND CLINIC VISITS FOR AREA RESIDENTS APD'S SOCIAL SERVICES DEPARTMENT WORKS WITH PATIENTS WHO SEEK ASSISTANCE WITH LIVING WILLS AND ADVANCE MEDICAL DIRECTIVES APD PERSONNEL ARE ACTIVELY INVOLVED IN DISASTER AND EMERGENCY PREPAREDNESS PLANNING AND TRAINING ACTIVITIES THESE ACTIVITIES ARE DESIGNED TO PROMOTE THE HEALTH AND SAFETY OF THE COMMUNITY IN THE EVENT OF WIDESPREAD OR LARGE NATURAL OR OTHER DISASTER, OR IN THE EVENT OF WIDESPREAD VIRAL OUTBREAKS, SUCH AS INFLUENZA FINALLY, APD PERSONNEL ARE ACTIVE PARTICIPANTS IN THE NEW HAMPSHIRE HOSPITAL ASSOCIATION (NHHA) NHHA ADVOCATES FOR THE CARE AND PROTECTION OF NH HOSPITAL PATIENTS, INCLUDING MAKING QUALITY HEALTH CARE AVAILABLE, AFFORDABLE AND ACCESSIBLE TO ALL REGARDLESS OF ABILITY TO PAY

Identifier	ReturnReference	Explanation
SCHEDULE H PART III, LINE 4		BAD DEBT COST IS CALCULATED USING A COST TO CHARGE RATIO USING A STEP-DOWN COST ALLOCATION METHODOLOGY CONSISTENT WITH MEDICARE COST REPORTING IN FY 11, ACCOUNTS WRITTEN OFF TO BAD DEBT INCLUDED GROSS CHARGES BEING WRITTEN OFF LESS ANY PAYMENTS RECEIVED AGAINST THOSE CHARGES ANY CASH COLLECTED ON ACCOUNTS PREVIOUSLY WRITTEN OFF IS INCLUDED AS AN OFFSET TO BAD DEBT EXPENSE AS RECOVERIES OF BAD DEBT BASED ON LACK OF COMPLETED DOCUMENTATION, WE ESTIMATED THE AMOUNT OF CHARITY CARE IN BAD DEBT EXPENSE BASED ON THE NUMBER OF APPLICATIONS FOR CHARITY CARE WE BELIEVE THE AMOUNT IS MINIMAL BASED ON OUR EXTENSIVE EFFORTS TO EDUCATE OUR PATIENTS AND STAFF ABOUT OUR VARIOUS PAYMENT PLANS AND CHARITY CARE TO ENSURE THAT PATIENTS WHO QUALIFY FOR ANY OF OUR PROGRAMS UTILIZE THEM DEPENDING ON THE SPECIFIC CIRCUMSTANCES, A PATIENT MAY BE ELIGIBLE FOR CHARITY CARE, DISCOUNTED CARE, PAYMENT PROGRAMS OR A COMBINATION OF THE ABOVE DUE TO THESE EFFORTS, WE FEEL THAT AMOUNTS WRITTEN OFF TO BAD DEBT THAT COULD QUALIFY AS CHARITY CARE ARE MINIMAL FOOTNOTE 1 TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ALICE PECK DAY HEALTH SYSTEMS CORP INCLUDES THE FOLLOWING TO ADDRESS BAD DEBT ACCOUNTS RECEIVABLE ARE STATED AT THE AMOUNT MANAGEMENT EXPECTS TO COLLECT ON OUTSTANDING BALANCES MANAGEMENT PROVIDES FOR POSSIBLE UNCOLLECTIBLE AMOUNTS THROUGH A CHARGE TO OPERATIONS AND A CREDIT TO THE VALUATION ALLOWANCE BASED ON ITS ASSESSMENT OF INDIVIDUAL ACCOUNTS AND HISTORICAL ADJUSTMENTS ACCOUNTS DEEMED UNCOLLECTIBLE ARE WRITTEN OFF THROUGH A CHARGE AGAINST THE ESTABLISHED ALLOWANCE

Identifier	ReturnReference	Explanation
SCHEDULE H, PART III, LINE 8		MEDICARE ALLOWABLE COSTS FOR THE MEDICARE COST REPORT ARE REPORTED IN ACCORDANCE WITH CMS GUIDELINES USING THE COST TO CHARGE RATIO METHODOLOGY

Identifier	ReturnReference	Explanation
SCHEDULE H, PART III, LINE 9B		OUR BAD DEBTS COLLECTION POLICY APPLIES TO ALL PATIENT ACCOUNTS IN A CONSISTENT MANNER THE POLICY SPECIFICALLY INDICATES THAT, AFTER A SECOND STATEMENT IS SENT WITH NO PAYMENT RECEIVED, A PATIENT ACCOUNTS REPRESENTATIVE WILL CONTACT THE PATIENT BY PHONE TO DETERMINE IF A FINANCIAL ASSISTANCE APPLICATION OR PAYMENT PLAN IS APPROPRIATE THIS IS COMPLETED TO AVOID FURTHER ESCALATION OF PAST DUE ACCOUNT(S)IF THE PATIENT MAY QUALIFY FOR FULL OR PARTIAL RELIEF UNDER THE CHARITY CARE POLICY IF THE APPLICATION IS SUCCESSFUL, THEN THE QUALIFYING BALANCE OR BALANCES ARE CLASSIFIED AS CHARITY CARE AND NO LONGER PURSUED FOR COLLECTIONS ONCE A PATIENT BALANCE IS CLASSIFIED AS CHARITY CARE, IT IS NOT SUBJECT TO COLLECTION ACTIVITIES ALICE PECK DAY IS COMMITTED TO HELPING OUR PATIENTS ATTAIN QUALITY HEALTHCARE, REGARDLESS OF ABILITY TO PAY OUR FINANCIAL ASSISTANCE PROGRAMS PROVIDE, ENCOURAGE AND ENABLE OUR PATIENTS TO MAKE HEALTHCARE DECISIONS FREE OF FINANCIAL BARRIERS WE EDUCATE OUR PATIENTS ABOUT OUR PROGRAMS AND PROVIDE ASSISTANCE PRIOR TO RECEIVING SERVICES, AT REGISTRATION FOR SERVICES AND DURING OUR BILLING PROCESS TO ENSURE THAT ANY AND ALL PATIENTS IN NEED OF ASSISTANCE ARE PROVIDED WITH THE HELP THEY NEED BROCHURES AND SIGNS ARE PLACED IN HIGH TRAFFIC AREAS SUCH AS THE ER AND REGISTRATION OUR STAFF IS TRAINED TO IDENTIFY PATIENTS DURING REGISTRATION, PROVIDE INFORMATION AND OFFER HELP IN COMPLETING THE NECESSARY FORMS DURING OUR BILLING PROCESS, CALLS ARE MADE TO PATIENTS WITH OUTSTANDING BALANCES OUR STAFF WORKS WITH PATIENTS TO IDENTIFY PROBLEMS THEY ARE FACING IN DEALING WITH OUTSTANDING BALANCES PATIENTS ARE NOTIFIED AGAIN OF THE MANY TYPES OF FINANCIAL ASSISTANCE AVAILABLE FOR WHICH THEY MAY QUALIFY PROGRAMS ARE EXPLAINED, AND ASSISTANCE IS OFFERED IF NEEDED, IN COMPLETING THE APPLICATIONS DUE TO THIS MULTI-LEVEL APPROACH AND STAFF THAT IS TRAINED TO IDENTIFY CLIENTS THAT MAY NEED FINANCIAL ASSISTANCE, VERY FEW QUALIFYING PATIENTS REACH THE POINT OF BAD DEBT OUR COLLECTION POLICIES AND PROCEDURES IN CONJUCTION WITH OUR SMALL SIZE, ALLOW OUR ORGANIZATION TO PLACE GREAT EMPHASIS ON HELPING ALL PATIENTS WHO MAY BE IN NEED TO APPLY FOR, AND ATTAIN, THE APPROPRIATE LEVEL OF FINANCIAL ASSISTANCE

Identifier	ReturnReference	Explanation
SCHEDULE H, PART V, LINE 11		ALICE PECK DAY MEMORIAL HOSPITAL OFFERS FINANCIAL ASSISTANCE TO PATIENTS DEMONSTRATING NEED IN MAKING THE NEED DETERMINATION, APD PARTICIPATES WITH AND HONORS THE FOUNDING PRINCIPLES AND GUIDELINES OF THE NEW HAMPSHIRE HEALTH ACCESS NETWORK (NHHAN) ACCORDINGLY, DECISIONS REGARDING THE GRANTING OF FINANCIAL ASSISTANCE WILL BE BASED PRIMARILY ON A PATIENT AND HIS OR HER HOUSEHOLD'S INCOME AND ASSETS THERE WILL BE MINIMAL CONSIDERATION OF EXPENSES EXCEPT WHEN THEY IDENTIFY AREAS FOR FURTHER INVESTIGATION OR INCOMPLETE OR INACCURATE INFORMATION THE VALUE OF A PATIENT'S PRINCIPAL RESIDENCE IS NOT CONSIDERED IN QUALIFYING A PATIENT FOR IN-HOUSE ASSISTANCE APD REQUIRES EXHAUSTION OF OTHER PAYMENT METHODOLOGIES, INCLUDING BUT NOT LIMITED TO WORKER'S COMPENSATION, VETERANS BENEFITS, MEDICAID, LIABILITY (AUTO ACCIDENTS), VICTIMS OF CRIME AND COBRA WHEN APPLICABLE, PROOF OF DETERMINATION MAY BE REQUIRED PRIOR TO CONSIDERATION FOR FINANCIAL ASSISTANCE

Identifier	ReturnReference	Explanation
SCHEDULE H, PART V, LINE 13		PLEASE SEE PART V LINE 3 FOR A DESCRIPTION OF THE FINANCIAL ASSISTANCE PROGRAM AND THE EFFORTS MADE TO PUBLICIZE AND PROMOTE THE PROGRAM

Identifier	ReturnReference	Explanation
SCHEDULE H, PART V, LINE 19D		THE HOSPITAL FACILITY PROVIDES UNINSURED PATIENTS WITH A 15% DISCOUNT AT THE TIME THE DISCOUNT WAS ESTABLISHED THE DISCOUNT APPROXIMATED THE AVERAGE OF THE THREE LOWEST NEGOTIATED COMMERCIAL INSURANCE RATES FOR SERVICES AT THE HOSPITAL FACILTY THE AVERAGE OF THE THREE LOWEST COMMERICAL INSURANCE RATES WAS APPROXIMATELY 87 5%, THE RATE APPLIED TO UNINSURED PATIENTS WAS LOWER THAN THAT RATE, AT 85%, REPRESENTING A 15% DISCOUNT

Identifier	ReturnReference	Explanation
SCHEDULE H, PART VI, LINE 2		DUE TO OUR RURAL LOCATION AND SIZE, A COLLABORATIVE EFFORT BETWEEN THE UNITED WAY, DARTMOUTH HITCHCOCK MEMORIAL HOSPITAL AND ALICE PECK DAY MEMORIAL HOSPITAL CREATED THE FY 2009 COMMUNITY BENEFITS PLAN PRIORITY NEEDS AND HEALTH CONCERNS FOR OUR COMMUNITY WERE BASED UPON INFORMATION COLLECTED FROM COMMUNITY NEEDS ASSESSMENTS AND COMMUNITY SURVEYS IDENTIFIED NEEDS INCLUDED AVAILABILITY OF ORAL HEALTH, AVAILABILITY OF PRIMARY CARE, PRESCRIPTION ASSISTANCE, TRANSPORTATION, AVAILABILITY OF BEHAVIORAL HEALTH AND ACCESS TO ALCOHOL/DRUG TREATMENT ALICE PECK DAY USED ITS INFORMATION TO HELP FOCUS ITS COMMUNITY BENEFIT EFFORTS TO MEET THE PRIORITY NEEDS IDENTIFIED IN THE COMMUNITY BENEFIT PLAN OF SPECIAL NOTE IS THE UPPER VALLEY SMILES PROGRAM THAT HAS SERVED A PRIORITY NEED FOR ORAL HEALTH WITHIN OUR LOCAL COMMUNITY UPPER VALLEY SMILES HAS TOUCHED THE LIVES OF MANY CHILDREN IN OUR COMMUNITY AND PROVIDED MUCH NEEDED CARE FOR A VERY VULNERABLE POPULATION

Identifier	ReturnReference	Explanation
SCHEDULE H, PART VI, LINE 3		ALICE PECK DAY BELIEVES THAT QUALITY HEALTH CARE SHOULD BE AVAILABLE TO ALL, REGARDLESS OF ABILITY TO PAY OUR FINANCIAL ASSISTANCE PROGRAMS AND STAFF ARE DEDICATED TO HELPING PEOPLE OBTAIN THE CARE THEY NEED WE REACH OUT TO OUR PATIENTS IN MANY DIFFERENT WAYS TO ENSURE THAT THEY ARE AWARE THAT HELP IS AVAILABLE AND TO HELP GUIDE THEM THROUGH THE PROCESS BROCHURES AND SIGNAGE ARE POSTED IN HIGH TRAFFIC AREAS SUCH AS THE EMERGENCY ROOM, REGISTRATION AND THE LOBBY REGISTRATION STAFF ARE TRAINED TO IDENTIFY PATIENTS WHO MAY BE IN NEED OF FINANCIAL ASSISTANCE ONCE IDENTIFIED, THE STAFF NOTIFY THE PATIENT THAT APD HAS VARIOUS FORMS OF FINANCIAL ASSISTANCE AND EXPLAIN THAT ASSISTANCE IS AVAILABLE FOR ANYONE WHO MIGHT REQUIRE HELP OR GUIDANCE IN COMPLETING ANY NECESSARY PAPERWORK IN ADDITION TO THE ABOVE, OUR BILLING STAFF ARE TRAINED TO HELP IDENTIFY AND OFFER ASSISTANCE TO ANY ONE WHO MIGHT REQUIRE FINANCIAL ASSISTANCE PATIENTS WITH OUTSTANDING CLAIMS ARE CONTACTED BY OUR CREDIT COORDINATOR WHO WORKS WITH THEM TO CLEAR UP BALANCES THROUGH THE VARIETY OF PROGRAMS WE OFFER ASSISTANCE IS ALSO PROVIDED IN APPLYING FOR FEDERAL/STATE PROGRAMS TO THOSE WHO QUALIFY SPECIALLY TRAINED STAFF GUIDE APPLICANTS THROUGH THE PROCESS TO ENSURE FORMS ARE FILLED OUT CORRECTLY, ALL REQUIRED DOCUMENTATION IS ATTACHED AND THE APPLICANTS UNDERSTAND WHAT THEY CAN EXPECT TO HAPPEN ALONG THE WAY

Identifier	ReturnReference	Explanation
SCHEDULE H, PART VI, LINE 4		ALICE PECK DAY MEMORIAL HOSPITAL IS PART OF THE LEBANON HEALTH CARE SERVICE AREA THE LEBANON SERVICE AREA COMPRISES CITIES AND TOWNS IN NEW HAMPSHIRE AND VERMONT APD'S SERVICE AREA IN NH COMPRISES 15 TOWNS IN ADDITION TO THE CITY OF LEBANON, INCLUDING CANAAN, CORNISH, CROYDON, DORCHESTER, ENFIELD, GRAFTON, GRANTHAM, HANOVER, LYME, NEWPORT, ORANGE, ORFORD, PIERMONT, PLAINFIELD AND WARREN VERMONT TOWNS INCLUDE EAST THETFORD, FAIRLEE, HARTFORD, HARTLAND, NORTH HARTLAND, NORTH THETFORD, POST MILLS, QUECHEE, SHARON, SOUTH STRAFFORD, STRAFFORD, THETFORD, THETFORD CENTER, VERSHIRE, WEST VERSHIRE, WEST FAIRLEE, WEST HARTFORD, WHITE RIVER JUNCTION AND WOODSTOCK

Identifier	ReturnReference	Explanation
SCHEDULE H, PART VI, LINE 5		ALICE PECK DAY ACTIVELY PROMOTES COMMUNITY-BASED LEADERSHIP DEVELOPMENT STAFF MEMBERS PARTICIPATE IN TWO LOCAL CHAMBERS OF COMMERCE, LEADERSHIP UPPER VALLEY, FOUNDATION FOR HEALTHY COMMUNITIES, THE RURAL HEALTH COALITION AND THE ADVOCACY TASK FORCE AS AN ACTIVE MEMBER OF THE COMMUNITY, APD WORKS TO BE PROACTIVE CONCERNING DISASTER READINESS STAFF HAVE PARTICIPATED IN ONSITE TRAINING FOR DISASTER PREPAREDNESS AS WELL AS OFF-SITE TRAINING WITH OTHER REGIONAL HOSPITALS COLLABORATIVE EFFORTS INCLUDE ALL HAZARD REGIONAL TRAINING, EMERGENCY RESPONSE TRAINING, AND A REGIONAL MASS CASUALTY RESPONSE PROGRAM TO HELP FACILITATE COOPERATIVE EFFORTS IF SUCH NEEDS ARISE

Identifier	ReturnReference	Explanation
SCHEDULE H, PART VI, LINE 6		ALICE PECK DAY MEMORIAL HOSPITAL IS A CRITICAL ACCESS HOSPITAL LOCATED IN LEBANON NH THE HOSPITAL IS SERVED BY A BOARD OF TRUSTEES CONSISTING OF LOCAL CITIZENS ACTIVE IN COMMUNITY ACTIVITIES AND ORGANIZATIONS THE MAJORITY OF BOARD MEMBERS ARE NOT EMPLOYED BY THE HOSPITAL, AND INCLUDE LOCAL GOVERNMENT AND BUSINESS REPRESENTATIVES AS WELL AS PRACTICING INDEPENDENT PHYSICIANS DESPITE ITS SMALL SIZE, APD IS COMMITTED TO GIVING BACK TO THE COMMUNITY TO THE GREATEST EXTENT POSSIBLE DURING FY 2011, CASH DONATIONS WERE GIVEN TO MANY PROGRAMS TO HELP THOSE IN NEED LOCAL FINANCIAL CONTRIBUTIONS HELPED SUPPORT FREE PRIMARY CARE CLINICS FOR THE UNINSURED, PROVIDED TRANSPORTATION FOR THE ELDERLY AND DISABLED TO RECEIVE MEDICAL CARE, AND PROVIDED LOCAL NON PROFIT ORGANIZATIONS WITH MEETING SPACE AND REFRESHMENTS ALICE PECK DAY SUPPORTED COMMUNITY FLU CLINICS, PROVIDED EMERGENCY PRESCRIPTION DRUG VOUCHERS, SUBSIDIZED SENIOR EXERCISE PROGRAMS, PROVIDED SUPPLIES FOR HURRICANE IRENE RELIEF, AND WORKED TOWARD THE EXPANSION OF LOCAL PUBLIC TRANSPORTATION TO ENSURE ALL THOSE IN NEED OF MEDICAL CARE COULD RECEIVE IT ONE OF APD'S MOST EXCITING AND CELEBRATED PROGRAMS IS THE UPPER VALLEY SMILES PROGRAM THIS PROGRAM PROVIDES AN ORAL HEALTH SAFETY NET FOR DISADVANTAGED RESIDENTS WITHIN OUR SERVICE AREA IN 6 DIFFERENT SCHOOLS OVER 783 STUDENTS RECEIVED ORAL HEALTH EDUCATION DENTAL SCREENINGS WERE PROVIDED TO 239 OF THOSE CHILDREN, WITH 157 RECEIVING DENTAL SEALANTS AND 126 REFERRED TO DENTISTS FOR RESTORATIVE TREATMENT NINETEEN CHILDREN REQUIRING URGENT CARE RECEIVED REFERRALS AND HAD THEIR CARE PAID FOR BY APD ALICE PECK DAY HOSTED TWO FREE ORAL HEALTH CLINICS FOR 18 HOMELESS CHILDREN WHO RECEIVED ORAL HEALTH EDUCATION, A DENTAL CLEANING AND FLUORIDE APPLICATIONS WITH THE HELP OF TWO GRANTS, APD CONTINUED ITS PILOT WOMEN, INFANTS AND CHILDREN (WIC) ORAL HEALTH INITIATIVE IN LEBANON AND ENFIELD, NH A TOTAL OF 177 LOW-INCOME CHILDREN AGED 0-10 RECEIVED ORAL HEALTH EDUCATION, A DENTAL SCREENING AND PREVENTATIVE CARE AS A RESULT OF THIS SUCCESS, AN ADDITIONAL GRANT FROM AN ADDITIONAL FUNDING SOURCE WAS SECURED, ENABLING THE HOSPITAL TO EXPAND ITS WIC ORAL HEALTH PROGRAM INTO THE HARTFORD, VERMONT AREA BEGINNING IN 2012 INDIVIDUALS WERE PROVIDED WITH ASSISTANCE IN APPLYING FOR NH/VT MEDICAID TO ENSURE INCREASED ACCESS TO MEDICAL CARE FOR THIS NEEDY POPULATION AS A RESULT, A SIGNIFICANT NUMBER OF PEOPLE WERE SUCCESSFULLY ENROLLED AND RECEIVED ONGOING CARE TO PROMOTE HEALTH PROFESSIONAL EDUCATION, APD PROVIDED CLINICAL UNDERGRADUATE TRAINING TO DARTMOUTH MEDICAL SCHOOL, RIVER VALLEY COMMUNITY COLLEGE, VERMONT TECHNICAL COLLEGE AND LEBANON COLLEGE APD ANNUALLY SPONSORS DISTRICT-WIDE PROFESSIONAL DEVELOPMENT FOR SCHOOL NURSES IN OUR LOCAL AREA AND FOR OTHERS WITHIN OUR REGION THESE INITIATIVES AND ONGOING EFFORTS CONTINUE TO ADDRESS SEVERAL OF THE MOST PRESSING COMMUNITY NEEDS AS IDENTIFIED IN OUR COMMUNITY NEEDS ASSESSMENT

Identifier	ReturnReference	Explanation
SCHEDULE H, PART VI, LINE 7		APD FILES A COMMUNITY BENEFIT REPORT IN NEW HAMPSHIRE

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493131019262

Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

Grants and Other Assistance to Organizations, Governments and Individuals in the United States

Complete if the organization answered "Yes," to Form 990, Part IV, line 21 or 22.
▶ Attach to Form 990

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
Alice Peck Day Memorial Hospital

Employer identification number
02-0222791

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . . ☑ Yes ☐ No

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part II Grants and Other Assistance to Governments and Organizations in the United States.

Complete if the organization answered "Yes" to Form 990, Part IV, line 21 for any recipient that received more than $5,000. Check this box if no one recipient received more than $5,000. Part II can be duplicated if additional space is needed. . . . . ▶ ☐

1 (a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) GOOD NEIGHBOR HEALTH CLINIC70 N MAIN ST WRJ, VT 05001	03-0346949	501(c)3	20,000				OPERATIONAL SUPPORT FOR CLINIC PROVIDING FREE PRIMARY CARE SERVICES TO PATIENTS IN THE UPPER VALLEY ARE OF NH AND WHITE RIVER JUNCTION AREA IN VERMONT PATIENTS RECEIVING FREE CARE ARE AT OR BELOW 225% OF THE FEDERAL POVERTY LEVEL
(2) GRAFTON COUNTY SENIOR CITIZENS COUNCILPO BOX 433 LEBANON, NH 03766	23-7248316	501(c)3	20,000				Operational support for transportation services for area senior-citizens The Council provides lift-assisted buses with priority on medical transport for hospital or clinic appointments

2 Enter total number of section 501(c)(3) and government organizations . . . . . ▶ 2

3 Enter total number of other organizations . . . . . ▶

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 22. Use Schedule I-1 (Form 990) if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance

Part IV **Supplemental Information.** Complete this part to provide the information required in Part I, line 2, and any other additional information.

Identifier	Return Reference	Explanation
Schedule I, Part 1, Line 2		As part of APD's Access Improvement Plan developed in 2003, Hospital staff and Board members identified the Grafton County Senior Citizens Council and the Good Neighbor Health Clinic (which also includes the Red Logan Dental Clinic) as essential to providing access to health care in the Upper Valley NH and White River VT areas Based on the needed services provided, the Board approved on-going monetary support for these organizations The annual amount to be contributed by APD to these organizations is approved annually through the annual budget process APD receives and reviews each year the organizations' published annual reports and also maintains informal contacts throughout the year to monitor the organizations' operations and services

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
Alice Peck Day Memorial Hospital

Employer identification number
02-0222791

Part I Questions Regarding Compensation

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

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

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

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) HARRY G DORMAN III	(i) (ii)	263,689		44,962	9,800	18,561	337,012	
(2) SUSAN E MOONEY MD	(i) (ii)	224,617		18,126	9,800	25,092	277,635	
(3) EVALIE M CROSBY	(i) (ii)	136,678		13,511	4,810	23,160	178,159	
(4) DOUGLAS CEDENO MD	(i) (ii)	223,821		27,148	9,800	14,054	274,823	
(5) CHRISTOPHER MAZUR MD	(i) (ii)	225,366		15,937	9,100	26,365	276,768	
(6) DAVID KRONER MD	(i) (ii)	263,484		21,688	9,800	16,501	311,473	
(7) Virginia McDougall MD	(i) (ii)	270,593		2,193		11,094	283,880	
(8) Andrew Best MD	(i) (ii)	243,385		552	2,682	7,137	253,756	
(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
FORM 990, SCHEDULE J, PART I, LINE 7		IN FISCAL YEAR 2011, CERTAIN PROVIDERS WERE PAID THROUGH AN RVU (RELATIVE VALUE UNIT) SYSTEM, A PRODUCTIVITY MEASUREMENT SET BY MEDICARE TO ASSIGN VALUE TO SERVICES
FORM 990, SCHEDULE J, PART II		SALARY AND BENEFIT EXPENSE FOR THE CEO AND CFO ARE CHARGED TO APD HEALTH SYSTEMS AND THEN ALLOCATED TO ALICE PECK DAY MEMORIAL HOSPITAL AND ALICE PECK DAY LIFECARE INC BASED ON THE RELATIVE SHARE OF SERVICES PERFORMED FOR THOSE ENTITIES ON THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS THESE EXPENSES ARE INCLUDED IN SALARIES AND BENEFITS EXPENSE ON LINE 24(E) OF FORM 990, SCHEDULE IX , THESE EXPENSES ($483,311) HAVE BEEN RECLASSIFIED FROM SALARY AND BENEFIT EXPENSE TO LINE 24(E)

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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
Alice Peck Day Memorial Hospital

Employer identification number
02-0222791

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	52-1304598		11-30-2010	12,282,000	CURRENT REFUND EXISTING BONDS		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired				
2	Amount of bonds legally defeased				
3	Total proceeds of issue	12,282,000			
4	Gross proceeds in reserve funds				
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrow	12,237,068			
7	Issuance costs from proceeds	44,932			
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds				
11	Other spent proceeds				
12	Other unspent proceeds				
13	Year of substantial completion	2010			

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

Part III Private Business Use

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

Part III Private Business Use *(Continued)*

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

Part IV Arbitrage

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

Part V Supplemental Information

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

Identifier	Return Reference	Explanation

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SCHEDULE 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
Alice Peck Day Memorial Hospital

Employer identification number
02-0222791

Identifier	Return Reference	Explanation
FORM 990, PART I, LINE 5 AND PART V, LINE 2A		FOR ADMINISTRATIVE PURPOSES, ALICE PECK DAY MEMORIAL HOSPITAL ACTS AS COMMON PAYMASTER FOR BOTH ALICE PECK DAY HEALTH SYSTEMS CORP AND ALICE PECK DAY LIFECARE CENTER, INC

Identifier	Return Reference	Explanation
FORM 990, PART IV, LINE 34		INACTIVE ENTITIES THE ORGANIZATION IS RELATED TO ALICE PECK DAY REALTY CORP (EIN 02-0485369) AND ALICE PECK DAY HEALTH MANAGEMENT CORP (EIN 02-0485370) THROUGH THE DIRECT CONTROLLING PARENT, ALICE PECK DAY HEALTH SYSTEMS CORP BOTH ENTITIES ARE INACTIVE AND HOLD NO ASSETS

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 6		ALICE PECK DAY HEALTH SYSTEMS CORP, A CHARITABLE CORPORATION, ACTING BY AND THROUGH ITS BOARD OF TRUSTEES, IS THE SOLE MEMBER OF THE ORGANIZATION

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7A		ALL TRUSTEES SHALL BE ELECTED BY THE BOARD OF TRUSTEES OF THE MEMBER AT THE ANNUAL MEETING OF THE MEMBER A NOMINATION SLATE FOR THE TRUSTEES SHALL BE SUBMITTED BY THE GOVERNANCE COMMITTEE OF THE MEMBER ANY TRUSTEE MAY BE REMOVED AT ANY TIME, WITH OR WITHOUT CAUSE, BY THE MEMBER VACANCIES ON THE BOARD OF TRUSTEES DUE TO DEATH, RESIGNATION, OR OTHER CAUSE EXCEPT REMOVAL SHALL BE FILLED BY ELECTION BY THE REMAINING MEMBERS OF THE BOARD VACANCIES CAUSED BY REMOVAL SHALL BE FILLED BY ELECTION BY THE MEMBER TRUSTEES ELECTED TO FILL VACANCIES SHALL HOLD OFFICE UNTIL THE NEXT ANNUAL MEETING OF THE MEMBER, AT WHICH TIME SUCCESSORS SHALL BE ELECTED IN THE MANNER PROVIDED FOR IN THE CASE OF ORIGINAL ELECTIONS

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7B		THE ORGANIZATION'S ANNUAL OPERATING BUDGET AND ALL CAPITAL BUDGETS SHALL BE SUBJECT TO APPROVAL BY THE MEMBER ANY OVERALL STRATEGIC PLAN FOR THE ORGANIZATION, INCLUDING THE DEVELOPMENT OF OFF-SITE FACILITIES, THE ADDITION OF NEW PROGRAMS AND AFFILIATIONS WITH OTHER INSTITUTIONS, SHALL BE CONSISTENT WITH THE STRATEGIC PLAN OF THE MEMBER AS DETERMINED BY THE MEMBER THE BORROWING OF ANY SUM IN EXCESS OF $50,000 WHICH HAS A STATED TERM OF GREATER THAN ONE YEAR OR WHICH IS SECURED BY A MORTGAGE OF ALL OR ANY PORTION OF THE ORGANIZATION'S REAL PROPERTY OR BY A SECURITY INTEREST IN THE ORGANIZATION'S ASSETS OR REVENUES SHALL BE SUBJECT TO APPROVAL BY THE MEMBER, PROVIDED, HOWEVER, THAT THE APPROVAL BY THE MEMBER SHALL NOT BE NECESSARY FOR ANY BORROWING TO PURCHASE OR LEASE EQUIPMENT OR OTHER PERSONAL PROPERTY SECURED BY A PURCHASE MONEY LIEN OR TITLE RETENTION OR SECURITY AGREEMENT EXCEPT AS INCIDENT TO THE REVIEW OF THE CAPITAL BUDGET ANY VOLUNTARY DISSOLUTION, MERGER OR CONSOLIDATION OF THE ORGANIZATION OR THE SALE OR TRANSFER OF ALL OR SUBSTANTIALLY ALL OF THE ORGANIZATION'S ASSETS OR THE CREATION OR ACQUISITION OF ANY SUBSIDIARY OR AFFILIATE CORPORATION SHALL BE SUBJECT TO APPROVAL BY THE MEMBER THE BOARD SHALL SELECT AS CERTIFIED PUBLIC ACCOUNTANTS FOR THE ORGANIZATION THE FIRM WHICH AUDITS THE BOOKS AND RECORDS OF THE MEMBER THE BOARD SHALL SELECT THE PRESIDENT WHO MUST BE CONFIRMED BY THE MEMBER

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11		THE COMPLETED FORM 990 IS PROVIDED TO ALL MEMBERS OF THE FINANCE AND GOVERNANCE COMMITTEES OF THE BOARD OF TRUSTEES IN ADVANCE OF THE FILING DEADLINE TO ENABLE A DETAILED AND CONSCIENTIOUS REVIEW BY ALL MEMBERS OF BOTH COMMITTEES THE COMPLETED FORM 990 IS ALSO DISTRIBUTED TO ALL MEMBERS OF THE FULL BOARD FOR REVIEW NO LATER THAN THE FINAL REGULARLY SCHEDULED BOARD MEETING PRIOR TO THE FILING DEADLINE ALL QUESTIONS AND CONCERNS ARE ADDRESSED BY THE CHIEF FINANCIAL OFFICER AND INCORPORATED INTO THE FORM 990 AS DEEMED APPROPRIATE AFTER ALL INPUT FROM THE BOARD, FINANCE, AND GOVERNANCE COMMITTEES HAS BEEN APPROPRIATELY ADDRESSED AND INCORPORATED INTO THE FINAL FORM 990, A VOTE OF ACCEPTANCE OF THE FINAL DOCUMENT IS REQUIRED THE VOTE IS RECORDED IN THE MINUTES OF THE BOARD OF TRUSTEES PRIOR TO THE FILING OF THE FORM 990 ONCE APPROVED, SENIOR MANAGEMENT FILES THE FINAL FORM 990 WITH THE INTERNAL REVENUE SERVICE AS REQUIRED

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 12C		ALICE PECK DAY HAS A MULTI-FACETED CONFLICT OF INTEREST POLICY THE BOARD OF TRUSTEES COMPLETES A CONFLICT OF INTEREST QUESTIONNAIRE ON AN ANNUAL BASIS AND ANY NEW MEMBERS COMPLETE THE QUESTIONNAIRE UPON JOINING THE BOARD AS PART OF OUR ONGOING MONITORING PROCESS, OUR EXECUTIVE ASSISTANT REVIEWS ALL BOARD QUESTIONNAIRES AND DISCLOSURES TO IDENTIFY ANY POTENTIAL CONFLICTS BEFORE THEY ARISE IN ADDITION, OUR EXECUTIVE ASSISTANT ATTENDS ALL BOARD MEETINGS TO ENSURE THAT IF ANY CONFLICTS ARISE, THEY ARE HANDLED APPROPRIATELY IF SUCH CONFLICTS ARISE, THE ORGANIZATION COMPLIES WITH THE NEW HAMPSHIRE AND FEDERAL REQUIREMENTS FOR DISCLOSURES OF SUCH EVENTS THE ORGANIZATION IS COMMITTED TO CONDUCTING ITS BUSINESS IN A MANNER THAT IS BOTH ETHICAL AND LEGAL AS PART OF THIS COMMITTMENT, A STANDARD OF CONDUCT FORM IS REQUIRED OF ALL EMPLOYEES OF THE ORGANIZATION THIS IS REVIEWED WITH ALL STAFF UPON HIRE AND ON AN ANNUAL BASIS THEREAFTER THE STANDARD OF CONDUCT COVERS CONFLICT OF INTEREST AND OTHER VITAL MATTERS TO ENSURE ALL BUSINESS ACTIVITY IS CONDUCTED IN A MANNER THAT IS CONSISTENT WITH THE HIGHEST STANDARDS OF HONESTY, INTEGRITY AND FAIRNESS

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 15		THE COMPENSATION COMMITTEE OF THE ALICE PECK DAY HEALTH SYSTEMS BOARD OF TRUSTESS IS RESPONSIBLE FOR DETERMINING THE COMPENSATION OF THE CHIEF EXECUTIVE OFFICER/PRESIDENT THE HUMAN RESOURCE DIRECTOR PROVIDES COMPENSATION DATA OF COMPARABLE ORGANIZATIONS WITH APPROXIMATELY THE SAME SIZE STAFF AND SPENDING IN A LOCATION OF SIMILIAR SIZE THE COMMITTEE DETERMINES THE APPROPRIATE COMPENSATION AND APPROVES THE AMOUNT THAT IS THEN COMMUNICATED TO HUMAN RESOURCES FOR ADJUSTMENT THE CEO/PRESIDENT IS RESPONSIBLE FOR REVIEWING THE PERFORMANCE OF SENIOR MANAGEMENT STAFF THE INFORMATION IS BROUGHT TO THE COMPENSATION COMMITTEE OF THE BOARD OF TRUSTEES ALONG WITH A RECOMMENDATION FOR THE SALARY OF EACH INDIVIDUAL THE COMPENSATION IS DETERMINED THROUGH A VARIETY OF ANALYSIS OF SALARY DATA AND PERFORMANCE INDIVIDUAL SALARY INCREASES ARE THEN BASED ON OVERALL PERFORMANCE, WITHIN BUDGETED INCREASES FOR THE ORGANIZATION THE COMPENSATION COMMITEE APPROVES THE BASE COMPENSATION AND SALARY INCREASE AMOUNT

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION C, LINE 19		THE ORGANIZATION MAKES IT GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC UPON REQUEST

Identifier	Return Reference	Explanation
FORM 990, PART VII, SECTION A, COLUMN E		DR SUSAN E MOONEY IS A PRACTICING PHYSICIAN IN ADDITION TO BEING THE HOSPITAL'S CHIEF MEDICAL OFFICER SHE WORKED AN AVERAGE OF 60 HOURS PER WEEK, OF WHICH AN AVERAGE OF 40 HOURS PER WEEK WERE SPENT ON EXECUTIVE MATTERS AND 20 IN HER ROLE AS A PHYSICIAN

Identifier	Return Reference	Explanation
FORM 990, PART XI, LINE 2C		OVERSIGHT OF AUDIT PROCESS THE AUDIT COMMITTEE OVERSEES THE AUDIT PROCESS FOR THE ALICE PECK DAY ENTITIES THE AUDIT PROCESS FOR THE FINANCIAL STATEMENTS DID NOT CHANGE FROM THE PRIOR YEAR INDEPENDENT ACCOUNTANTS PERFORMED THE AUDIT FOR THE FISCAL YEARS ENDED 9/30/10 AND 9/30/11

Identifier	Return Reference	Explanation
FORM 990, PART XI, LINE 5		OTHER CHANGES IN NET ASSETS OR FUND BALANCE CHANGE IN INTEREST RATE SWAPS -216,490 LOSS ON EARLY EXTINGUISHMENT OF DEBT -148,273 UNREALIZED LOSS ON INVESTMENTS -234,459 CHANGE IN ANNUITY VALUATION -5,449

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME PAUL R BOUCHER TITLE CHAIR- APD LIFECARE HOURS 1

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
Alice Peck Day Memorial Hospital

Employer identification number
02-0222791

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
(1) ALICE PECK DAY HEALTH SYSTEMS CORP 125 MASCOMA ST LEBANON, NH 03766 02-0479095	PROMOTE HEALT	NH	501(C)(3)	LINE 11B,II	N/A		
(2) ALICE PECK DAY LIFECARE CENTER INC 125 MASCOMA ST LEBANON, NH 03766 02-0479094	ASSISTED LIVI	NH	501(C)(3)	LINE 9	APDHS		
(3) ALICE PECK DAY REALTY CORP 125 MASCOMA STREET LEBANON, NH 037662647 02-0485369	INACTIVE	NH	501(c)(2)		APDHS		

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations? Yes	(h) No	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) ALICE PECK DAY HEALTH MANAGEMENT CORP 125 MASCOMA ST LEBANON, NH037662647 02-0485370	INACTIVE	NH		C corp			100 000 %

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

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

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

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

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) ALICE PECK DAY HEALTH SYSTEMS CORP	D	1,117,757	
(2) ALICE PECK DAY LIFECARE CENTER INC	P	3,648,954	
(3) ALICE PECK DAY LIFECARE CENTER INC	D	1,230,536	
(4)			
(5)			
(6)			

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

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

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

Part VII Supplemental Information

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

Identifier	Return Reference	Explanation

Alice Peck Day Health Systems Corp. and Subsidiaries

Audited Consolidated Financial Statements
and Additional Information

Years Ended September 30, 2011 and 2010
With Independent Auditors' Report

ALICE PECK DAY HEALTH SYSTEMS CORP. AND SUBSIDIARIES

Audited Consolidated Financial Statements
and Additional Information

Years Ended September 30, 2011 and 2010

CONTENTS

INDEPENDENT AUDITORS' REPORT

The Board of Trustees
Alice Peck Day Health Systems Corp and Subsidiaries

We have audited the accompanying consolidated balance sheets of Alice Peck Day Health Systems Corp and Subsidiaries (the System) as of September 30, 2011 and 2010, and the related consolidated statements of operations, changes in net assets and cash flows for the years then ended These consolidated financial statements are the responsibility of the System's management Our responsibility is to express an opinion on these consolidated financial statements based on our audits

We conducted our audits in accordance with auditing standards generally accepted in the United States of America Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Alice Peck Day Health Systems Corp and Subsidiaries as of September 30, 2011 and 2010, and the results of their operations, changes in their net assets and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America

Baker Newman & Noyes

Manchester, New Hampshire
December 20, 2011

Limited Liability Company

ALICE PECK DAY HEALTH SYSTEMS CORP. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

September 30, 2011 and 2010

ASSETS

	2011	2010
Current assets:		
Cash and cash equivalents	$12,716,020	$10,412,699
Short-term investments	5,243,645	4,875,448
Assets whose use is limited or restricted	–	11,968,494
Accounts receivable, less allowance for doubtful accounts and contractual allowances of $9,373,518 in 2011 and $7,306,816 in 2010	7,582,144	6,396,787
Current portion of pledges receivable, net	20,600	8,764
Supplies	1,244,989	1,178,856
Prepaid expenses and other current assets	427,172	256,467
Total current assets	27,234,570	35,097,515
Assets whose use is limited or restricted, net of current portion	555,414	1,216,638
Property and equipment, net	45,527,360	45,956,241
Resident unit deposits	240,293	1,234,755
Long-term investments	24,364	27,551
Pledges receivable, net of current portion	52,830	–
Deferred financing costs, net of accumulated amortization of $4,026 in 2011 and $67,733 in 2010	128,010	433,964
Other assets	388,948	46,517
Total assets	$74,151,789	$84,013,181

LIABILITIES AND NET ASSETS

	2011	2010
Current liabilities:		
Line of credit	$ 495,000	$ –
Accounts payable and accrued expenses	4,485,348	4,793,714
Accrued salaries and related amounts	2,520,483	2,327,718
Estimated third-party payor settlements	328,319	164,670
Current portion of deferred annuities	16,360	16,360
Current portion of long-term debt	523,711	11,535,000
Total current liabilities	8,369,221	18,837,462
Long-term debt, net of current portion	29,139,261	30,240,000
Resident unit deposits	240,293	1,234,755
Deferred revenue from entrance fees, net of accumulated amortization of $4,936,386 in 2011 and $3,804,628 in 2010	19,482,727	17,188,738
Interest rate swap	528,796	408,327
Deferred annuities, net of current portion	44,858	55,770
Total liabilities	57,805,156	67,965,052
Net assets:		
Unrestricted	14,851,799	14,430,732
Temporarily restricted	1,468,994	1,589,332
Permanently restricted	25,840	28,065
Total net assets	16,346,633	16,048,129
Total liabilities and net assets	$74,151,789	$84,013,181

See accompanying notes.

ALICE PECK DAY HEALTH SYSTEMS CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

Years Ended September 30, 2011 and 2010

	2011	2010
Unrestricted revenue, gains and other support:		
Net patient service revenue	$49,962,376	$42,123,672
Resident service revenue	4,697,318	3,311,091
Earned entrance fees	1,454,107	1,127,797
Other revenue	957,000	1,674,292
Net assets released from restrictions for operations	98,371	191,599
Total unrestricted revenue, gains and other support	57,169,172	48,428,451
Expenses:		
Salaries and benefits	32,320,149	25,818,008
Provider fees	2,208,770	643,772
Supplies and other	15,089,645	13,954,540
Insurance	502,328	510,168
Depreciation and amortization	2,836,859	2,114,440
Provision for doubtful accounts	2,596,394	1,931,752
Interest expense	823,768	300,803
Total expenses	56,377,913	45,273,483
Income from operations	791,259	3,154,968
Nonoperating expense:		
Impact of interest rate swaps	(120,469)	(57,060)
Loss on early extinguishment of debt	(482,297)	–
Total nonoperating expense	(602,766)	(57,060)
Excess of revenues, gains and other support over expenses	188,493	3,097,908
Change in net unrealized (losses) gains on investments	(488,678)	146,777
Net assets released from restrictions used for purchases of property and equipment	721,252	618,219
Increase in unrestricted net assets before effects of discontinued operations	421,067	3,862,904
Loss from discontinued operations	–	(486,074)
Increase in unrestricted net assets	$ 421,067	$ 3,376,830

See accompanying notes.

ALICE PECK DAY HEALTH SYSTEMS CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

Years Ended September 30, 2011 and 2010

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Balances at September 30, 2009	$11,053,902	$2,230,022	$26,827	$13,310,751
Excess of revenues, gains and other support over expenses	3,097,908	–	–	3,097,908
Loss from discontinued operations	(486,074)	–	–	(486,074)
Change in net unrealized gains (losses) on investments	146,777	(56,397)	1,238	91,618
Restricted investment income	–	40,743	–	40,743
Restricted contributions	–	184,782	–	184,782
Net assets released from restriction used for operations	–	(191,599)	–	(191,599)
Net assets released from restriction used for purchase of property and equipment	618,219	(618,219)	–	–
	3,376,830	(640,690)	1,238	2,737,378
Balances at September 30, 2010	14,430,732	1,589,332	28,065	16,048,129
Excess of revenues, gains and other support over expenses	188,493	–	–	188,493
Change in net unrealized losses on investments	(488,678)	–	(2,225)	(490,903)
Restricted contributions	–	699,285	–	699,285
Net assets released from restriction used for operations	–	(98,371)	–	(98,371)
Net assets released from restriction used for purchase of property and equipment	721,252	(721,252)	–	–
	421,067	(120,338)	(2,225)	298,504
Balances at September 30, 2011	$14,851,799	$1,468,994	$25,840	$16,346,633

See accompanying notes.

ALICE PECK DAY HEALTH SYSTEMS CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended September 30, 2011 and 2010

	2011	2010
Cash flows from operating activities:		
Increase in net assets	$ 298,504	$ 2,737,378
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Amortization of deferred entrance fees	(1,266,258)	(616,795)
Depreciation and amortization	2,836,859	2,114,440
Provision for doubtful accounts, net of recoveries	2,596,394	1,931,752
Net realized and unrealized losses (gains) on investments	229,471	(201,305)
Adjustment of interest rate swaps to fair value	120,469	57,060
Loss on early extinguishment of debt	482,297	–
Loss on sale of equipment	105,336	15,544
Restricted contributions and investment income	(699,285)	(225,525)
Resident unit deposits	994,462	286,263
Changes in operating assets and liabilities:		
Patient accounts receivable	(3,781,751)	(3,828,550)
Supplies	(66,133)	(181,880)
Prepaid expenses, other current assets, and other assets	(699,205)	(31,016)
Pledges receivable, net	(64,666)	89,891
Accounts payable and accrued expenses	(308,366)	(1,539,633)
Accrued salaries and related amounts	192,765	(184,340)
Estimated third-party payor settlements	163,649	337,183
Net cash provided by operating activities	1,134,542	760,467
Cash flows from investing activities:		
Purchases of property and equipment	(2,520,939)	(12,369,205)
Proceeds from sale of property and equipment	17,351	–
Purchases of investments	(4,491,956)	(2,108,566)
Proceeds from sales of investments	3,897,475	2,422,366
Decrease in assets whose use is limited	12,629,718	1,626,001
Net cash provided (used) by investing activities	9,531,649	(10,429,404)
Cash flows from financing activities:		
Change in resident unit deposits	–	(286,263)
Entrance fees received	3,944,613	14,351,420
Refunds of entrance fees	(1,378,828)	(1,441,055)
Payments on long-term debt	(41,604,093)	(170,000)
Proceeds from issuance of long-term debt	29,492,065	–
Advances (repayments) on lines of credit	495,000	(700,000)
(Decrease) increase in deferred annuities	(10,912)	25,723
Proceeds from restricted contributions and investment income	699,285	225,525
Net cash (used) provided by financing activities	(8,362,870)	12,005,350
Net increase in cash and cash equivalents	2,303,321	2,336,413
Cash and cash equivalents at beginning of year	10,412,699	8,076,286
Cash and cash equivalents at end of year	$ 12,716,020	$ 10,412,699
Supporting documentation:		
Interest paid	$ 793,946	$ 646,765

See accompanying notes.

1. Description of Organization and Summary of Significant Accounting Policies

Organization

Alice Peck Day Health Systems Corp. (the Parent) is a not-for-profit corporation organized under the laws of the State of New Hampshire. The Parent was established in January 1995 as a tax-exempt holding company whose purpose is to provide and promote health care and health education provided by the Parent's subsidiaries, Alice Peck Day Memorial Hospital (Hospital), Alice Peck Day Lifecare Center, Inc., d/b/a Harvest Hill, and The Woodlands at Harvest Hill (Lifecare). The Parent has additional subsidiaries, Alice Peck Day Realty Corp. (Realty) and Alice Peck Day Health Management Services, Inc. (Management). Management and Realty are currently inactive.

Principles of Consolidation

The consolidated financial statements of Alice Peck Day Health Systems Corp. and Subsidiaries (the System) include the accounts of the Parent and its wholly-controlled subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The most significant areas which are affected by the use of estimates include the allowance for doubtful accounts and contractual adjustments, estimated third-party settlements, and self-insured health care costs.

Concentrations of Credit Risk

Financial instruments which subject the System to credit risk consist primarily of cash equivalents, accounts receivable, amounts receivable under irrevocable trusts, and investments. The risk with respect to cash equivalents is minimized by the System's policy of investing in financial instruments with short-term maturities issued by highly rated financial institutions. The System's accounts receivable are primarily due from third-party payors and amounts are presented net of expected contractual allowances and uncollectible amounts (see also note 12). Amounts due under irrevocable trusts are evaluated for collectibility and presented net of any required allowances. The System's investment portfolio consists of diversified investments, which are subject to market risk, but are not subject to concentrations in any sectors.

Cash and Cash Equivalents

Cash and cash equivalents include money market funds and secured repurchase agreements with original maturities of three months or less, excluding assets whose use is limited or restricted.

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

1. Description of Organization and Summary of Significant Accounting Policies (Continued)

Investments and Investment Income

Investments are carried at fair value in the accompanying consolidated balance sheets. Investment income (including realized gains and losses on investments, interest and dividends) is included in the excess of revenues, gains and other support over expenses unless the income is restricted by donor or law. Gains and losses on investments are computed on a specific identification basis. Unrealized gains and losses on investments are excluded from the excess of revenues, gains and other support over expenses unless the investments are classified as trading securities or losses are considered other-than-temporary. Periodically, management reviews investments for which the market value has fallen significantly below cost and recognizes impairment losses where they believe the declines are other-than-temporary. At September 30, 2011 and 2010, the System had certain investments that were below cost by approximately $96,000 and $154,000, respectively, which were deemed by management to be temporary. However, the System has recorded approximately $46,000 in losses deemed to be other-than-temporary for the year ended September 30, 2011.

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

Assets Whose Use is Limited or Restricted

Assets whose use is limited or restricted include assets held by trustees under indenture agreements and donor-restricted investments.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to operations and a credit to a valuation allowance based on its assessment of individual accounts and historical adjustments. Accounts deemed uncollectible are written off through a charge against the established allowance

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 is stated at cost or, if contributed, at fair market value determined at the date of donation, less accumulated depreciation. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method.

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.

1. Description of Organization and Summary of Significant Accounting Policies (Continued)

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

Deferred Financing Costs

The costs incurred to obtain long-term financing are being amortized by the straight-line method over the period during which the debt is outstanding. In 2011, $482,297 of unamortized issuance costs associated with the extinguishment of debt (see note 9) was written off and recognized as a loss on early extinguishment of debt.

Derivative and Hedging Activities

The System uses interest rate swap contracts to eliminate the cash flow exposure of interest rate movements on variable-rate debt. The System adopted Financial Accounting Standards Board (FASB), Accounting Standards Codification (ASC) 815, *Derivatives and Hedging*, to account for its interest rate swap contracts. The interest rate swap contracts have not been designated as cash flow hedges. Gains and losses on derivative financial instruments not designated as cash flow hedges are required to be included in the performance indicator As a result, the gain and loss on the interest rate swaps for 2011 and 2010 have been included in the excess of revenues, gains and other support over expenses.

Employee Fringe Benefits

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

Retirement Plan

The System's employees participate in a tax-sheltered annuity retirement plan after completing one year of service and attaining the age of 21. Contributions are made by the System on behalf of all full-time participants at a rate of 4% of each participant's basic annual compensation. Plan expense for the years ended September 30, 2011 and 2010 aggregated $784,000 and $569,000, respectively.

1. Description of Organization and Summary of Significant Accounting Policies (Continued)

Resident Entrance Fees

For residents who took occupancy through September 30, 2001, this amount represented deposits from residents, which were 90% refundable only to the extent of the proceeds of reoccupancy of a contract holder's apartment. The refundable portion was amortized over 25 years. The remainder (10%) was the nonrefundable portion and was amortized into income on a straight-line basis, over the remaining expected life of the resident's occupancy, which management has estimated to be 7 years.

For new residents of Harvest Hill, as of October 1, 2001, this amount represents entry deposits from residents, which are 75% refundable only to the extent of the proceeds of reoccupancy of a contract holder's apartment. The refundable portion is amortized over 25 years. The remainder (25%) is the nonrefundable portion and is amortized into income on a straight-line basis, over the remaining expected life of the resident's occupancy, which management has estimated to be 7 years.

For residents of The Woodlands at Harvest Hill, this amount represents entry deposits from residents, which are 90% refundable only to the extent of the proceeds of reoccupancy of a contract holder's apartment. The refundable portion is amortized over 25 years. The remainder (10%) is the nonrefundable portion and is amortized into income on a straight-line basis, over the remaining expected life of the resident's occupancy, which management has estimated to be 7 years.

Temporarily and Permanently Restricted Net Assets

Gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of donated assets. Temporarily restricted net assets are those whose use has been limited by donors to a specific time period or purpose. When a donor restriction expires (when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified as unrestricted net assets and reported as either net assets released from restrictions (for noncapital related items) or as net assets released from restrictions used for capital purchases (capital related items). Permanently restricted net assets have been restricted by donors to be maintained in perpetuity

Excess of Revenues, Gains and Other Support Over Expenses

The consolidated statements of operations include excess of revenues, gains and other support over expenses. Changes in unrestricted net assets which are excluded from this performance indicator, consistent with industry practice, include the change in net unrealized gains and losses on investments other than trading securities or losses considered other than temporary, permanent transfers of assets to and from affiliates for other than goods and services, and contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets) and income or loss from discontinued operations.

1. Description of Organization and Summary of Significant Accounting Policies (Continued)

Health Insurance

The System is partially self-insured with respect to health care coverage This coverage provides medical health benefits to eligible employees and their eligible dependents. The System estimates an accrual for claims incurred but not reported. Health insurance expense approximated $3,081,000 and $1,917.000 in 2011 and 2010, respectively.

Net Patient Service Revenue

The System has agreements with third-party payors that provide for payments to the System at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, per diem payments and fee schedules. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Changes in these estimates are reflected in the consolidated financial statements in the year in which they occur For the years ended September 30, 2011 and 2010, net patient service revenue in the accompanying consolidated statements of operations increased (decreased) by approximately $231,000 and $(1,275,000), respectively, due to actual settlements and changes in assumptions underlying estimated future third-party settlements for prior years.

Medicaid Enhancement Tax and Medicaid Disproportionate Share

Under the State of New Hampshire's tax code, the State imposes a Medicaid enhancement tax equal to 5.5% of net patient service revenues The amount of estimated tax recorded by the System for fiscal 2011 and 2010 was $1,786,000 and $1,911,000, respectively.

The State also administers a disproportionate share funding (DSH) program. For years prior to 2010, the DSH payment to the Hospital equaled the Medicaid enhancement tax for the year. Recently, in connection with a federal government audit of the State's 2004 fiscal year, it was indicated that the State's DSH approach was not in compliance with federal regulations and, as a result, a $35.8 million payment is required from the State to the federal payor. The amount of estimated DSH revenue recorded by the Hospital for fiscal 2011 and 2010 was $1,976,000 and $1,911,000, respectively.

As part of the State's biennial budget process for the two-year period ending June 30, 2013, it eliminated disproportionate share payments to certain New Hampshire hospitals, excluding hospitals classified as critical access. The System received approximately $2,100,000 in disproportionate share payments in December 2011 covering the State's fiscal year July 1, 2011 to June 30, 2012.

In response to the State's actions, certain New Hampshire hospitals have collectively filed a lawsuit against the State. At the date of these financial statements, the System had not joined this lawsuit

In addition, the Hospital has amended MET returns for fiscal years 2008 through 2010 based upon guidance from the Centers for Medicare and Medicaid Services (CMS) that certain exclusions can be deducted from net patient service revenues. The State disagrees with the CMS guidance and has indicated its intent to audit the amended returns. The outcome of the amended returns and related audits is uncertain at the date of these financial statements, therefore no provision has been made in the consolidated financial statements for the amended returns

1. Description of Organization and Summary of Significant Accounting Policies (Continued)

Charity Care

The System provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates (note 3) Because the System does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue.

Donor-Restricted Gifts

Unconditional promises to give cash and other assets to the System are reported at fair value at the date the promise is received. Conditional promises to give and intentions to give are reported at fair value at the date the condition is met. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of donated assets.

Donor-restricted endowment gifts are reported as long-term investments.

Any future annuity payments resulting from contributions received which are life income gifts or annuity gifts are determined actuarially and through present value techniques. The future liability for these payments is reflected as a deferred annuity in the consolidated balance sheets. As of September 30, 2011 and 2010, the liability for these gift annuities was $61,218 and $72,130, respectively.

Income Taxes

The System consists of not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code, all of which are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code.

The System adopted FASB Interpretation No. 48 (FIN 48), *Accounting for Uncertainty in Income Taxes – an Interpretation of FASB Statement No 109*, effective October 1, 2007. The System has evaluated its tax positions taken in accordance with FIN 48 and has determined that there is no impact on the System's current tax-exempt status, or financial position or results of operations for the years ended September 30, 2011 and 2010.

With few exceptions, the System is no longer subject to income tax examination by the U.S. federal or state tax authorities for years prior to 2008.

Advertising Costs

Advertising costs are expensed as incurred. Advertising expense was approximately $212,000 and $299,000 in 2011 and 2010, respectively.

2. Net Patient Service Revenue

Patient service revenue from continuing operations and contractual and other allowances consisted of the following for the years ended September 30:

	2011	2010
Patient services:		
Routine services	$ 3,928,515	$ 2,971,945
Ancillary services	64,698,974	57,247,222
Gross patient service revenue	68,627,489	60,219,167
Less provision for contractual allowances	(17,723,617)	(17,232,745)
Less provision for charity care	(941,496)	(862,750)
	(18,665,113)	(18,095,495)
Net patient service revenue	$ 49,962,376	$ 42,123,672

Revenues from the Medicare and Medicaid programs accounted for approximately 27% and 7% and 26% and 7% of the System's net patient service revenue for the years ended September 30, 2011 and 2010, respectively. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. The System believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing.

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

Medicare

The Hospital is a Critical Access Hospital (CAH) and is reimbursed 101% of allowable costs for its inpatient and outpatient services provided to beneficiaries. The Hospital is reimbursed at tentative interim rates with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the fiscal intermediary. The Hospital's cost reports have been audited by the fiscal intermediary through 2008.

Medicaid

Inpatient services rendered to Medicaid program beneficiaries are reimbursed at prospectively determined rates per day of hospitalization. The prospectively determined per-diem rates are not subject to retroactive adjustment Outpatient services rendered to Medicaid program beneficiaries are reimbursed under a fee schedule methodology The Hospital is reimbursed 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 2008.

2. Net Patient Service Revenue (Continued)

Anthem Blue Cross

Inpatient and outpatient services rendered to Anthem Blue Cross subscribers are reimbursed at submitted charges less a negotiated discount. The amounts paid to the Hospital are not subject to any retroactive adjustments.

3. Charity Care (Unaudited)

The System maintains records to identify and monitor the level of charity care it provides. The records include the amount of charges foregone for services and supplies furnished under its charity care policy, the estimated cost of those services and supplies, and equivalent service statistics. The System provided traditional charity care with charges foregone, based on established rates of approximately $942,000 and $1,078,000 (including $215,000 related to discontinued operations at September 30, 2010) for the years ended September 30, 2011 and 2010, respectively. The System provides other forms of charity care to fulfill its charitable purposes. The following information measures the level of charity care provided during the years ended September 30:

	2011	2010
Estimated costs incurred to provide traditional charity care	$ 673,000	$ 742,000
Estimated costs incurred in excess of payment for inpatient and outpatient services for Medicare and Medicaid patients	3,920,000	2,600,000
Estimated cost of community health improvement sources, community benefit operations, health professions education and cash and in-kind contributions to community groups	457,000	596,000
Scholarship subsidy provided to residents	4,756	–
	$5,054,756	$3,938,000

The System determines the costs associated with providing charity care by calculating a ratio of cost to gross charges, and then multiplying that ratio by the gross uncompensated charges associated with providing care to patients eligible for free care.

4. Investments

The composition of assets whose use is limited or restricted, funds held by trustee and other investments at September 30, 2011 and 2010 is set forth in the following table:

	Cost 2011	Fair Value 2011	Cost 2010	Fair Value 2010
Cash and cash equivalents	$ 555,414	$ 555,414	$13,185,132	$13,185,132
Corporate bonds	15,465	15,710	15,465	16,289
U.S. Treasury securities and other government securities	617,124	642,329	642,918	673,376
Marketable equity securities	4,055,645	4,069,269	3,344,542	3,808,150
Mutual funds	542,740	540,701	372,137	405,184
Total assets	$5,786,388	$5,823,423	$17,560,194	$18,088,131

Assets Whose Use is Limited or Restricted

Assets whose use is limited or restricted consist of the following at September 30:

	2011	2010
Donor restricted:		
Cash and cash equivalents	$555,414	$ 1,216,638
Funds held by trustee under indenture agreements:		
Debt service fund:		
Cash and cash equivalents	–	11,538,754
Construction fund:		
Cash and cash equivalents	–	429,740
	$555,414	$13,185,132

Other Investments

Other investments, stated at fair value, include the following at September 30:

	2011	2010
Corporate bonds	$ 15,710	$ 16,289
U.S. Treasury securities and other government securities	642,329	673,376
Marketable equity securities	4,069,269	3,808,150
Mutual funds	540,701	405,184
	5,268,009	4,902,999
Less long-term investments	(24,364)	(27,551)
	$5,243,645	$4,875,448

4. Investments (Continued)

Investment income and gains from assets whose use is limited, cash equivalents, and other investments are included in other revenue and are comprised of the following:

	2011	2010
Income (loss):		
Interest and dividend income	$ 123,286	$101,833
Realized gains on sales of securities	307,508	109,687
Other than temporary decline in fair value of investments	(46,076)	–
	$ 384,718	$211,520
Other changes in net assets:		
Unrealized (losses) gains:		
Unrestricted	$(488,678)	$146,777
Temporarily restricted	–	(56,397)
Permanently restricted	(2,225)	1,238
	$(490,903)	$ 91,618

The long-term investment objective is to preserve and enhance the real value of the investment assets over time, in order to provide a sufficient rate of return for fulfilling the philanthropic purposes of the System.

5. Fair Value Measurements

Fair value of a financial instrument is defined as the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability. The fair value should be calculated based on assumptions that market participants would use in pricing the asset or liability, not on assumptions specific to the entity. In addition, the fair value of liabilities should include consideration of non-performance risk, including the System's own credit risk.

The FASB's codification establishes a fair value hierarchy for valuation inputs. The hierarchy prioritizes the inputs into three levels based on the extent to which inputs used in measuring fair value are observable in the market Each fair value measurement is reported in one of the three levels which is determined by the lowest level input that is significant to the fair value measurement in its entirety. These levels are:

Level 1 – Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange.

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

5. Fair Value Measurements (Continued)

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

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

The following presents the balances of assets and liabilities measured at fair value on a recurring basis at September 30, 2011 and 2010.

	Level 1	Level 2	Level 3	Total
2011				
Assets				
Assets whose use is limited or restricted:				
Cash and cash equivalents	$ 555,414	$ –	$ –	$ 555,414
Investments:				
Common stock:				
Materials	228,966	–	–	228,966
Industrials	419,619	–	–	419,619
Consumer discretionary	714,400	–	–	714,400
Consumer staples	295,921	–	–	295,921
Energy	389,382	–	–	389,382
Financial	563,882	–	–	563,882
Health care	543,295	–	–	543,295
Utilities	92,547	–	–	92,547
Information technology	615,235	–	–	615,235
Telecommunications	199,348	–	–	199,348
Preferred stock:				
Financial	6,674	–	–	6,674
Fixed income mutual fund	540,701	–	–	540,701
U.S. Treasury	–	267,969	–	267,969
Government bonds	105,770	268,590	–	374,360
Corporate bonds	–	15,710	–	15,710
Pledges receivable, net	–	–	73,430	73,430
Total assets	$ 5,271,154	$552,269	$ 73,430	$5,896,853
Liabilities:				
Interest rate swap	$ –	$ –	$ 528,796	$ 528,796

5. Fair Value Measurements (Continued)

	Level 1	Level 2	Level 3	Total
2010				
Assets:				
Assets whose use is limited or restricted.				
Cash and cash equivalents	$13,185,132	$ –	$ –	$13,185,132
Investments:				
Common stock:				
Materials	246,331	–	–	246,331
Industrials	458,578	–	–	458,578
Consumer discretionary	471,461	–	–	471,461
Consumer staples	177,041	–	–	177,041
Energy	468,280	–	–	468,280
Financial	681,143	–	–	681,143
Health care	454,672	–	–	454,672
Utilities	105,158	–	–	105,158
Information technology	543,184	–	–	543,184
Telecommunications	196,645	–	–	196,645
Preferred stock:				
Financial	5,657	–	–	5,657
Fixed income mutual fund	405,184	–	–	405,184
U.S. Treasury	–	276,648	–	276,648
Government bonds	132,881	263,847	–	396,728
Corporate bonds	–	16,289	–	16,289
Pledges receivable, net	–	–	8,764	8,764
Total assets	$17,531,347	$556,784	$ 8,764	$18,096,895
Liabilities:				
Interest rate swap	$ –	$ –	$ 408,327	$ 408,327

The valuation of the interest rate swap of $528,796 and $408,327 at September 30, 2011 and 2010, respectively is estimated based upon the anticipated cash flows under the swap agreement over its duration at market interest rates, and therefore is classified as Level 3.

The System's Level 3 investments consist of pledges receivable The fair value measurement is based on significant unobservable inputs.

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

5. Fair Value Measurements (Continued)

The following is a reconciliation of assets and liabilities in which significant unobservable inputs (Level 3) were used in determining fair value at September 30:

	Pledges Receivable	Interest Rate Swaps
Balance at September 30, 2009	$ 98,655	$(351,267)
Purchases, sales, issuances and settlements, net	(89,891)	351,267
Net realized and unrealized losses	–	(408,327)
Balance at September 30, 2010	8,764	(408,327)
Purchases, sales, issuances and settlements, net	64,666	–
Net realized and unrealized losses	–	(120,469)
Balance at September 30, 2011	$ 73,430	$(528,796)

Other financial instruments consist of accounts receivable, accounts payable and accrued expenses, estimated third-party payor settlements, and long-term debt. The fair value of all financial instruments approximates their relative book values as these financial instruments have short-term maturities or are recorded at amounts that approximate fair value

6. Property and Equipment

Property and equipment consists of the following at September 30:

	2011	2010
Land and land improvements	$ 3,083,759	$ 3,042,869
Buildings and improvements	48,656,742	49,225,865
Fixed equipment	6,186,411	5,881,854
Major movable equipment	15,187,836	15,470,364
	73,114,748	73,620,952
Less accumulated depreciation and amortization	(29,219,090)	(28,836,986)
	43,895,658	44,783,966
Construction in progress	1,631,702	1,172,275
	$ 45,527,360	$ 45,956,241

Depreciation expense for the years ended September 30, 2011 and 2010 amounted to $2,827,133 and $2,091,540, respectively.

6. Property and Equipment (Continued)

During 2010, the System completed a 133,000 square foot construction project consisting of an independent living community with 66 apartment units. The project was funded through the proceeds of the 2008 Business Finance Authority of the State of New Hampshire Revenue Bonds. At the time of project completion in 2010, approximately $574,000 of interest costs had been capitalized.

7. Pledges Receivable

Pledges receivable from donors as of September 30, 2011 and 2010 were $76,050 and $13,758, respectively. The pledges are due as follows at September 30:

	2011	2010
Less than one year	$20,600	$13,758
More than one year	55,450	–
Less discounts and allowances for uncollectible pledges	(2,620)	(4,994)
	$73,430	$ 8,764

8. Irrevocable Trust

In February 2011, Lifecare was named the beneficiary of an irrevocable charitable lead annuity trust, the proceeds of which are temporarily restricted for the subsidy for Harvest Hill residents and for the Hughes Care Unit at Harvest Hill. Under the terms of the agreement, a Trust was established to hold, manage and invest the funds. The Trustee will make payments to Lifecare totaling $500,000 over the eleven-year term of the agreement. At the end of the term, the remaining trust assets revert to the donor's family. The expected future cash inflows from the trust have been recorded at present value in prepaid expenses and other current assets ($37,917) and other assets ($380,448) at September 30, 2011 based on a discount rate of 3.31%.

As of September 30, 2011, expected cash payments to be received under the trust are as follows:

Less than one year	$ 37,917
One to five years	252,500
More than five years	209,583
	500,000
Less discount to net present value	(81,635)
Net annuity receivable	$418,365

9. Long-Term Debt

Long-term debt consists of the following at September 30:

	2011	2010
Variable rate bonds, collateralized by a mortgage note, issued under Business Finance Authority of the State of New Hampshire Revenue Bonds, Series 2010, variable daily interest rate, 2.05% as of September 30, 2011, payable in monthly amounts of principal and interest through November 2030, with a balloon payment of approximately $14.5 million due on or before December 1, 2030	$ 29,662,972	$ –
Variable rate bonds, collateralized by gross receipts, issued under Business Finance Authority of the State of New Hampshire Revenue Bonds, Series 2007 A and B, variable weekly interest rates, .27% (Series 2007A) and 33% (Series 2007B) as of September 30, 2010. The Series 2007 A and B bonds were paid in full on November 30, 2010	–	15,035,000
Variable rate bonds, collateralized by gross receipts, issued under Business Finance Authority of the State of New Hampshire Revenue Bonds, Series 2008, variable daily interest rate, .28% as of September 30, 2010. The Series 2008 bonds were paid in full on November 30, 2010	–	26,740,000
	29,662,972	41,775,000
Less current portion	(523,711)	(11,535,000)
	$ 29,139,261	$ 30,240,000

On November 30, 2010, Alice Peck Day Health Systems refinanced its Series 2007 and 2008 outstanding bonds with $30,000,000 Series 2010 Revenue Bonds issued through the Business Finance Authority (BFA) of the State of New Hampshire. Interest is based on an annual percentage rate equal to the sum of (a) the product of 69% times LIBOR plus (b) 1.8975%. The System may prepay certain of these bonds according to the terms of the loan and trust agreement. The bonds are redeemable at any time by the System at par value plus any accrued interest. The bonds are also subject to optional tender for purchase (as a whole) in November 2020 at par plus accrued interest. The bonds are collateralized by substantially all assets and gross receipts of the System and were issued to advance refund existing bonds.

The Series 2010 Revenue Bonds contain various restrictive covenants, which include compliance with certain financial ratios and a detail of events constituting defaults. The System is in compliance with these requirements at September 30, 2011.

9. Long-Term Debt (Continued)

On August 2, 2010, the System entered into an interest rate swap agreement on the 2007A and 2008 Series Bonds with a financial institution holding an original notional amount of $15,000,000. This swap contract was executed for risk management purposes and was not designated as a hedge. This interest rate swap agreement effectively fixed the rate of interest on the bonds at 1.485%, through August 1, 2015, which is the termination date of the swap. The swap was not terminated upon the refinancing of the bonds described above. Under the agreement, the System makes or receives payments based on the difference between the fixed-rate interest payments and the variable market-indexed payments. The fixed interest payment rate is 1.485%, and the variable interest payment received is calculated as the 1-Month U.S. Libor Rate multiplied by 69% (.15% at September 30, 2011). The fair value of the swap agreement is recorded in the consolidated balance sheet as of September 30, 2011.

Scheduled principal repayments on long-term debt are as follows:

2012	$ 523,711
2013	546,353
2014	569,974
2015	594,616
2016	620,324
Thereafter	26,807,994
	$29,662,972

10. Lines of Credit

The System has an unsecured line of credit totaling $1,000,000 with a local bank. Interest on borrowings is charged at the Wall Street Journal prime rate or 3.25%, whichever is higher as determined by the System at the time of borrowing. The amount outstanding on the line of credit was $495,000 and $0 as of September 30, 2011 and 2010, respectively. The line of credit expires in May 2012.

The System has an additional unsecured line of credit with another bank totaling $1,000,000. Interest on borrowings is charged at the Wall Street Journal prime rate or the One Month LIBOR rate plus 1.075% as elected by the System at the time of borrowing. There were no amounts outstanding under this agreement as of September 30, 2011 and 2010. The line of credit expires in February 2012.

11. Temporarily and Permanently Restricted Net Assets

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

	2011	2010
Monthly rent subsidies and wellness clinic operations	$ 522,245	$ 78,321
Health care services, community welfare and construction projects	946,749	1,511,011
	$1,468,994	$1,589,332

11. Temporarily and Permanently Restricted Net Assets (Continued)

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

	2011	2010
Investments to be held in perpetuity, the income from which is expendable to support health care services (reported as operating income)	$25,840	$28,065

12. Concentrations of Credit Risk

The System 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 was as follows:

	2011	2010
Medicare	20%	17%
Medicaid	3	7
Anthem Blue Cross	16	16
Other third-party payors	25	27
Patients	36	33
	100%	100%

13. Commitments and Contingencies

Operating Leases

The System has various operating leases relative to its office and offsite locations. Future annual minimum lease payments under these noncancellable leases as of September 30, 2011 are as follows:

Year Ending September 30:	
2012	$ 325,848
2013	292,365
2014	212,045
2015	125,765
2016	39,182

Rent expense was $490,000 and $296,000 for the years ended September 30, 2011 and 2010, respectively.

13. Commitments and Contingencies (Continued)

Insurance

Effective October 1, 2009, the System, along with other New England Alliance for Health entities, purchases comprehensive general and professional liability coverage on a claims-made basis from a commercial insurance carrier. The policy is made up of primary and excess coverage subject to shared policy aggregate limits and covers all employees of the System. The policy includes an endorsement that covers the System for claims made retroactive to January 1995 (and retroactive to September 1985 for the Hospital). This policy has been renewed through September 30, 2012. Prior to October 1, 2009, the System purchased comprehensive general and professional liability coverage on a claims-made basis from another commercial carrier. As of September 30, 2011, there were no known malpractice claims outstanding which, in the opinion of management, will be settled for amounts in excess of insurance coverage and there are no unasserted claims or incidents which require loss accrual.

The possibility exists, as a normal risk of doing business, that malpractice claims in excess of insurance coverage may be asserted against the System. In the event a loss contingency should occur, the System would give it appropriate recognition in its consolidated financial statements in conformity with applicable accounting principles.

Environmental Liability

FASB ASC 410 requires entities to record asset retirement obligations at fair value if they can be reasonably estimated. The State of New Hampshire requires special disposal procedures relating to building materials containing asbestos. The System owns a building which contains some asbestos, but a liability has not been recognized since there are no current plans to renovate the building that would require removal of the asbestos; accordingly, the liability has an indeterminate settlement date and its fair value cannot be reasonably estimated.

Construction Commitment

As of September 30, 2011, the System has entered into a general construction agreement for a Hospital renovation project. At December 20, 2011, the System is negotiating with the contractor to establish the guaranteed maximum price for the first phase of the renovation project.

14. Functional Expenses

The System provides general health care services to residents within its geographic location including inpatient and outpatient surgery, assisted and independent living services, and promotion of health care and health education. Expenses related to providing these services were as follows for the years ended September 30:

	2011	2010
Health care services	$45,647,972	$37,072,588
Program activities	6,176,417	4,085,286
General and administrative	4,183,474	3,866,870
Fundraising expenses	370,050	248,739
	$56,377,913	$45,273,483

15. Discontinued Operations

During 2010, the System discontinued the Rehabilitation and Enhanced Care Center at Alice Peck Day Memorial Hospital (REC Center) and determined that the closure met the criteria for classification as discontinued operations. The decision to close the REC Center was based on performance factors. Discontinued operations included revenue from long term care and skilled nursing services of approximately $960,915 and operating expenses of approximately $1,446,989 for the year ended September 30, 2010 The REC Center had no significant assets or liabilities

ALICE PECK DAY HEALTH SYSTEMS CORP. AND SUBSIDIARIES

CONSOLIDATING BALANCE SHEETS

September 30, 2011
(With Comparative Totals for 2010)

ASSETS

	Alice Peck Day Health Systems Corp.	Alice Peck Day Memorial Hospital	Alice Peck Day Lifecare Center, Inc.	Elimi-nations	2011 Consol-idated	2010 Consol-idated
Current assets.						
Cash and cash equivalents	$ 165,880	$ 6,186,588	$ 6,363,552	$ –	$12,716,020	$10,412,699
Short-term investments	2,440,930	2,802,715	–	–	5,243,645	4,875,448
Assets whose use is limited or restricted	–	–	–	–	–	11,968,494
Accounts receivable, net	–	7,551,295	30,849	–	7,582,144	6,396,787
Current portion of pledges receivable, net	–	20,600	–	–	20,600	8,764
Due from affiliates	–	2,348,299	–	(2,348,299)	–	–
Supplies	–	1,220,966	24,023	–	1,244,989	1,178,856
Prepaid expenses and other current assets	329	372,898	53,945	–	427,172	256,467
Total current assets	2,607,139	20,503,361	6,472,369	(2,348,299)	27,234,570	35,097,515
Assets whose use is limited or restricted, net of current portion	–	555,414	–	–	555,414	1,216,638
Property and equipment, net	–	12,375,393	33,151,967	–	45,527,360	45,956,241
Resident unit deposits	–	–	240,293	–	240,293	1,234,755
Long-term investments	–	24,364	–	–	24,364	27,551
Pledges receivable, net of current portion	–	52,830	–	–	52,830	–
Deferred financing costs, net	–	128,010	–	–	128,010	433,964
Other assets	–	8,500	380,448	–	388,948	46,517
Total assets	$2,607,139	$33,647,872	$40,245,077	$(2,348,299)	$74,151,789	$84,013,181

ALICE PECK DAY HEALTH SYSTEMS CORP. AND SUBSIDIARIES

CONSOLIDATING STATEMENTS OF OPERATIONS

Year Ended September 30, 2011
(With Comparative Totals for 2010)

	Alice Peck Day Health Systems Corp.	Alice Peck Day Memorial Hospital	Alice Peck Day Lifecare Center, Inc.	Elimi-nations	2011 Consol-idated	2010 Consol-idated
Unrestricted revenue, gains and other support:						
Net patient service revenue	$ –	$49,962,376	$ –	$ –	$49,962,376	$42,123,672
Resident service revenue	–	–	4,697,318	–	4,697,318	3,311,091
Earned entrance fees	–	–	1,454,107	–	1,454,107	1,127,797
Other revenue	178,716	635,870	142,414	–	957,000	1,674,292
Net assets released from restrictions for operations	–	84,918	13,453	–	98,371	191,599
Total unrestricted revenue, gains and other support	178,716	50,683,164	6,307,292	–	57,169,172	48,428,451
Expenses:						
Salaries and benefits	–	29,168,244	3,151,905	–	32,320,149	25,818,008
Provider fees	–	2,208,770	–	–	2,208,770	643,772
Supplies and other	20	13,179,471	1,910,154	–	15,089,645	13,954,540
Insurance	348	452,859	49,121	–	502,328	510,168
Depreciation and amortization	116	1,401,318	1,435,425	–	2,836,859	2,114,440
Provision for doubtful accounts	–	2,596,394	–	–	2,596,394	1,931,752
Interest expense	10,912	325,234	487,622	–	823,768	300,803
Total expenses	11,396	49,332,290	7,034,227	–	56,377,913	45,273,483
Income from operations	167,320	1,350,874	(726,935)	–	791,259	3,154,968
Nonoperating income (expense)						
Impact of interest rate swaps	(8,936)	(216,490)	104,957	–	(120,469)	(57,060)
Loss on early extinguishment of debt	(8,524)	(148,273)	(325,500)	–	(482,297)	–
Total nonoperating income (expense)	(17,460)	(364,763)	(220,543)	–	(602,766)	(57,060)
Excess (deficiency) of revenues, gains and other support over expenses	149,860	986,111	(947,478)	–	188,493	3,097,908

	Alice Peck Day Health Systems Corp.	Alice Peck Day Memorial Hospital	Alice Peck Day Lifecare Center, Inc.	Elimi-nations	2011 Consol-idated	2010 Consol-idated
Excess (deficiency) of revenues, gains and other support over expenses	$ 149,860	$ 986,111	$(947,478)	$ –	$ 188,493	$ 3,097,908
Change in net unrealized (losses) gains on investments	(256,444)	(232,234)	–	–	(488,678)	146,777
Net assets released from restrictions used for purchases of property and equipment	–	721,252	–	–	721,252	618,219
Increase (decrease) in unrestricted net assets before effects of discontinued operations	(106,584)	1,475,129	(947,478)	–	421,067	3,862,904
Loss from discontinued operations	–	–	–	–	–	(486,074)
Increase (decrease) in unrestricted net assets	$(106,584)	$1,475,129	$(947,478)	$ –	$ 421,067	$ 3,376,830

ALICE PECK DAY HEALTH SYSTEMS CORP. AND SUBSIDIARIES

CONSOLIDATING STATEMENTS OF CASH FLOWS

Year Ended September 30, 2011
(With Comparative Totals for 2010)

	Alice Peck Day Health Systems Corp.	Alice Peck Day Memorial Hospital	Alice Peck Day Lifecare Center, Inc.	2011 Consol-idated	2010 Consol-idated
Cash flows from operating activities:					
Increase (decrease) in net assets	$ (106,584)	$ 908,642	$ (503,554)	$ 298,504	$ 2,737,378
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities					
Amortization of deferred entrance fees	–	–	(1,266,258)	(1,266,258)	(616,795)
Depreciation and amortization	116	1,401,318	1,435,425	2,836,859	2,114,440
Provision for doubtful accounts, net of recoveries	–	2,596,394	–	2,596,394	1,931,752
Net realized and unrealized losses (gains) on investments	100,794	128,677	–	229,471	(201,305)
Adjustment of interest rate swaps to fair value	8,937	216,489	(104,957)	120,469	57,060
Loss on early extinguishment of debt	8,524	148,273	325,500	482,297	–
Loss on sale of equipment	–	105,336	–	105,336	15,544
Restricted contributions and investment income	–	(241,909)	(457,376)	(699,285)	(225,525)
Resident unit deposits	–	–	994,462	994,462	286,263
Changes in operating assets and liabilities:					
Patient accounts receivable	–	(3,996,565)	214,814	(3,781,751)	(3,828,550)
Supplies	–	(62,957)	(3,176)	(66,133)	(181,880)
Prepaid expenses, other current assets, and other assets	(213)	(272,414)	(426,578)	(699,205)	(31,016)
Due to (from) affiliates	(52,200)	(245,069)	297,269	–	–
Pledges receivable, net	–	(64,666)	–	(64,666)	89,891
Accounts payable and accrued expenses	965	240,500	(549,831)	(308,366)	(1,539,633)
Accrued salaries and related amounts	44,536	118,892	29,337	192,765	(184,340)
Estimated third-party payor settlements	–	163,649	–	163,649	337,183
Net cash provided (used) by operating activities	4,875	1,144,590	(14,923)	1,134,542	760,467

	Alice Peck Day Health Systems Corp.	Alice Peck Day Memorial Hospital	Alice Peck Day Lifecare Center, Inc	2011 Consol-idated	2010 Consol-idated
Cash flows from investing activities:					
Purchases of property and equipment	$ –	$(2,493,056)	$ (27,883)	$ (2,520,939)	$(12,369,205)
Proceeds from sale of property and equipment	–	17,351	–	17,351	–
Purchases of investments	(2,218,701)	(2,273,255)	–	(4,491,956)	(2,108,566)
Proceeds from sales of investments	2,016,238	1,881,237	–	3,897,475	2,422,366
Decrease in assets whose use is limited	8,582	810,476	11,810,660	12,629,718	1,626,001
Net cash provided (used) by investing activities	(193,881)	(2,057,247)	11,782,777	9,531,649	(10,429,404)
Cash flows from financing activities:					
Change in resident unit deposits	–	–	–	–	(286,263)
Entrance fees received	–	–	3,944,613	3,944,613	14,351,420
Refunds of entrance fees	–	–	(1,378,828)	(1,378,828)	(1,441,055)
Payments on long-term debt	(16,475)	(9,143,722)	(32,443,896)	(41,604,093)	(170,000)
Proceeds for issuance of long-term debt	–	12,266,829	17,225,236	29,492,065	–
Advances (repayments) on lines of credit	–	495,000	–	495,000	(700,000)
(Decrease) increase in deferred annuities	–	(10,912)	–	(10,912)	25,723
Proceeds from restricted contributions and investment income	–	241,909	457,376	699,285	225,525
Net cash (used) provided by financing activities	(16,475)	3,849,104	(12,195,499)	(8,362,870)	12,005,350
Net increase in cash and cash equivalents	(205,481)	2,936,447	(427,645)	2,303,321	2,336,413
Cash and cash equivalents at beginning of year	371,361	3,250,141	6,791,197	10,412,699	8,076,286
Cash and cash equivalents at end of year	$ 165,880	$ 6,186,588	$ 6,363,552	$ 12,716,020	$ 10,412,699

Additional Data

Software ID:
Software Version:
EIN: 02-0222791
Name: Alice Peck Day Memorial Hospital

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
MICHAEL R HARRIS CHAIR	10	X		X						
REV DR GUY JD COLLINS VICE CHAIR	10	X		X						
JUDSON T PIERSON TREASURER	20	X		X						
KAREN G KAYEN SECRETARY	10	X		X						
BARBARA A CALLAHAN CRNA MEDICAL STAFF PRESIDENT	10	X		X						
MICHAEL J CRYANS TRUSTEE	5	X								
HARRY G DORMAN III PRESIDENT AND CEO	60 0	X		X					308,651	28,361
TERRI C DUDLEY TRUSTEE EMERITUS (NON VOTING)	10	X								
CLAUDIA C GIBSON AUXILIARY PRESIDENT	5	X								
RICHARD S JENNINGS TRUSTEE	10	X								
BRUCE N JOHNSTONE TRUSTEE	10	X								
JENNIFER H JUDKINS TRUSTEE	10	X								
EDWARD T KERRIGAN TRUSTEE	10	X								
SARA L KOBYLENSKI TRUSTEE	10	X								
MIRIAM M MAGUIRE TRUSTEE	5	X								
SUSAN E MOONEY MD VP & MEDICAL DIRECTOR	60 0	X		X				242,743		34,892
MICHAEL PWH PAINE FRCS TRUSTEE	20	X								
PAUL R BOUCHER CHAIR- APD LIFECARE	10	X								
MARTY P CANDON TRUSTEE	10	X								
MARK E MELENDY TRUSTEE	10	X								
SHELLY L MOSES TRUSTEE	10	X								
CLOSEY F DICKEY TRUSTEE EMERITUS (NON VOTING)	10	X								
BEVERLY A RANKIN PART YEAR VP & CNO	60 0	X		X				8,087		2,040
JAMES R CALLAN PART YEAR TRUSTEE	10	X								
J TODD MILLER COO	60 0			X				133,757		15,540

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
EVALIE M CROSBY VP FINANCE AND CFO	60 0			X					150,189	27,970
DOUGLAS CEDENO MD PHYSICIAN	40 0					X		250,969		23,854
CHRISTOPHER MAZUR MD PHYSICIAN	40 0					X		241,303		35,465
DAVID KRONER MD PHYSICIAN	40 0					X		285,172		26,301
Virginia McDougall MD Physician	40 0					X		272,786		11,094
Andrew Best MD Physician	40 0					X		243,937		9,819