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Form 990   Department of the Treasury Internal Revenue Service	<b>Return of Organization Exempt From Income Tax</b>  <b>Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)</b>  ▶ The organization may have to use a copy of this return to satisfy state reporting requirements	OMB No 1545-0047  <b>2010</b>  <b>Open to Public Inspection</b>
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<b>A For the 2010 calendar year, or tax year beginning 10-01-2010 and ending 09-30-2011</b>		
<b>B</b> Check if applicable <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> Name of organization Huggins Hospital	<b>D Employer identification number</b>  02-0223332
	Doing Business As	<b>E Telephone number</b>  (603) 569-7571
	Number and street (or P O box if mail is not delivered to street address) PO Box 912	Room/suite
	City or town, state or country, and ZIP + 4 Wolfeboro, NH 03894	
	<b>F</b> Name and address of principal officer Leslie MacLeod PO Box 912 Wolfeboro, NH 03894	
		<b>H(a)</b> Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  <b>H(b)</b> Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions) <b>H(c)</b> Group exemption number ▶
<b>I</b> Tax-exempt status <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) ◀ (insert no ) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		
<b>J Website:</b> ▶ www.hugginshospital.org		
<b>K</b> Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		<b>L</b> Year of formation 1907
		<b>M</b> State of legal domicile NH

<b>Part I</b>	<b>Summary</b>
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Activities & Governance	<b>1</b> Briefly describe the organization's mission or most significant activities Critical Access Hospital		
<b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets			
<b>3</b> Number of voting members of the governing body (Part VI, line 1a) . . . . .	<b>3</b>	16	
<b>4</b> Number of independent voting members of the governing body (Part VI, line 1b) . . . . .	<b>4</b>	13	
<b>5</b> Total number of individuals employed in calendar year 2010 (Part V, line 2a) . . . . .	<b>5</b>	627	
<b>6</b> Total number of volunteers (estimate if necessary) . . . . .	<b>6</b>	300	
<b>7a</b> Total unrelated business revenue from Part VIII, column (C), line 12 . . . . .	<b>7a</b>	0	
<b>b</b> Net unrelated business taxable income from Form 990-T, line 34 . . . . .	<b>7b</b>	0	
Revenue	<b>8</b> Contributions and grants (Part VIII, line 1h) . . . . .	<b>Prior Year</b>	<b>Current Year</b>
	<b>9</b> Program service revenue (Part VIII, line 2g) . . . . .	1,411,936	1,369,621
	<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d ) . . . . .	52,736,577	57,156,419
	<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	1,352,305	557,662
	<b>12</b> Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12) . . . . .	147,954	149,235
	55,648,772	59,232,937	
Expenses	<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1–3 ) . . . . .	0	0
	<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4) . . . . .	0	0
	<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	25,942,799	27,289,323
	<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e) . . . . .	0	0
	<b>b</b> Total fundraising expenses (Part IX, column (D), line 25) ▶187,624		
	<b>17</b> Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f) . . . . .	28,978,839	34,906,882
	<b>18</b> Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	54,921,638	62,196,205
	<b>19</b> Revenue less expenses Subtract line 18 from line 12 . . . . .	727,134	-2,963,268
Net Assets or Fund Balances		<b>Beginning of Current Year</b>	<b>End of Year</b>
	<b>20</b> Total assets (Part X, line 16) . . . . .	106,403,810	100,110,442
	<b>21</b> Total liabilities (Part X, line 26) . . . . .	41,357,945	38,518,622
	<b>22</b> Net assets or fund balances Subtract line 21 from line 20 . . . . .	65,045,865	61,591,820

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

Sign Here	***** Signature of officer	2012-06-27 Date			
	Michael Connelly CFO Type or print name and title				
Paid Preparer Use Only	Print/Type preparer's name Barbara J McGuan CPA	Preparer's signature Barbara J McGuan CPA	Date 2012-06-27	Check if self-employed <input type="checkbox"/>	PTIN
	Firm's name ▶ Berry Dunn McNeil & Parker LLC				Firm's EIN ▶
	Firm's address ▶ PO Box 1100 Portland, ME 041041100				Phone no ▶ (207) 775-2387

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

It is the mission of Huggins Hospital to provide quality health care services and to promote well being in the communities we serve

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 \$ 54,071,483 including grants of \$ ) (Revenue \$ 57,156,419 )

Huggins Hospital, a 25 bed critical access hospital & 27 bed transitional care unit, provides acute care, emergency, surgical, primary care, pediatric, critical care and skilled nursing services to the communities of the Eastern Lakes Region of New Hampshire

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 \$ 54,071,483

Form 990 (2010)

Part IV

Checklist of Required Schedules

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

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> . . . . .	21		No
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i> . . . . .	22		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i> . . . . .	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b–24d and complete Schedule K. If "No," go to line 25</i> . . . . .	24a	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? . . . .	24b		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? . . . . .	24c		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? . . . .	24d		No
25a	<b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i> . . . . .	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i> . . . . .	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i> . . . . .	26	Yes	
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i> . . . . .	27		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	28a	Yes	
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	28c	Yes	
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> . . . . .	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> . . . . .	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> . . . . .	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> . . . . .	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> . . . . .	33		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i> . . . . .	34	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)? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
36	<b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . .	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i> . . . . .	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O . . . . .	38	Yes	

<div>Part V</div> <div>Statements Regarding Other IRS Filings and Tax Compliance</div> <div>Check if Schedule O contains a response to any question in this Part V</div>			Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	1a85		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	1b0		
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.	2a627		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?  Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	2b	Yes	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a		No
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.	3b		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a		No
b	If "Yes," enter the name of the foreign country: _____ See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.			
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b		No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?	6a		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b		
7 Organizations that may receive deductible contributions under section 170(c).				
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a		No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c		No
d	If "Yes," indicate the number of Forms 8282 filed during the year.	7d		
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f		No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h		
8 Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		8		
9 Sponsoring organizations maintaining donor advised funds.				
a	Did the organization make any taxable distributions under section 4966?	9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b		
10 Section 501(c)(7) organizations. Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12.	10a		
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.	10b		
11 Section 501(c)(12) organizations. Enter				
a	Gross income from members or shareholders.	11a		
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).	11b		
12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	12b		
13 Section 501(c)(29) qualified nonprofit health insurance issuers.				
a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.	13a		
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.	13b		
c	Enter the amount of reserves on hand.	13c		
14a Did the organization receive any payments for indoor tanning services during the tax year?		14a		No
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.	14b		

Part VI

Governance, Management, and Disclosure

For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.  
Check if Schedule O contains a response to any question in this Part VI

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a	16	
b	Enter the number of voting members included in line 1a, above, who are independent	1b	13	
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5		No
6	Does the organization have members or stockholders?	6		No
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a		No
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body?	8a	Yes	
b	Each committee with authority to act on behalf of the governing body?	8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9		No

Section B. Policies

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

			Yes	No
10a	Does the organization have local chapters, branches, or affiliates?	10a		No
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	10b		
11a	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11a	Yes	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990			
12a	Does the organization have a written conflict of interest policy? If "No," go to line 13	12a	Yes	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	12c	Yes	
13	Does the organization have a written whistleblower policy?	13	Yes	
14	Does the organization have a written document retention and destruction policy?	14	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a	Yes	
b	Other officers or key employees of the organization	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. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request	
19	Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.	
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization.	Michael Connolly PO Box 912 Wolfeboro, NH 03894 (603) 569-7571

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

**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

[illegible]



## Part VII

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: 45

## 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

Form **990** (2010)

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	1,369,621			
	g	Noncash contributions included in lines 1a-1f \$					
	h	Total. Add lines 1a-1f . . . . .		1,369,621			
	Program Service Revenue	2a		Business Code			
		Patient Service Fees	621990	92,351,098	92,351,098		
b		Medicaid Tax Revenue	621990	2,767,176	2,767,176		
c		Miscellaneous	621990	1,431,853	25,150		1,406,703
d		Assisted Living Income	621990	789,513	789,513		
e		Contractual/Char Adj	621990	-40,183,221	40,183,221		
f		All other program service revenue					
g		Total. Add lines 2a-2f . . . . .		57,156,419			
Other Revenue	3	Investment income (including dividends, interest and other similar amounts) . . . . .		378,487			378,487
	4	Income from investment of tax-exempt bond proceeds . .					
	5	Royalties . . . . .					
	6a	Gross Rents	(i) Real 129,469	(ii) Personal			
	b	Less rental expenses					
	c	Rental income or (loss)	129,469				
	d	Net rental income or (loss) . . . . .			129,469		129,469
	7a	Gross amount from sales of assets other than inventory	(i) Securities 14,659,675	(ii) Other			
	b	Less cost or other basis and sales expenses	14,459,403	21,097			
	c	Gain or (loss)	200,272	-21,097			
	d	Net gain or (loss) . . . . .			179,175		179,175
	8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18 . . . . .	a 33,918				
	b	Less direct expenses . . . . .	b 14,152				
	c	Net income or (loss) from fundraising events . .			19,766		19,766
	9a	Gross income from gaming activities See Part IV, line 19 . .	a				
	b	Less direct expenses . . . . .	b				
	c	Net income or (loss) from gaming activities . .					
	10a	Gross sales of inventory, less returns and allowances . .	a				
	b	Less cost of goods sold . . . . .	b				
	c	Net income or (loss) from sales of inventory . .					
	Miscellaneous Revenue	Business Code					
11a							
b							
c							
d	All other revenue . . . . .						
e	Total. Add lines 11a-11d . . . . .						
12	Total revenue. See Instructions . . . . .			59,232,937	55,749,716	0	2,113,600

Part IX

Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the U S See Part IV, line 21				
2	Grants and other assistance to individuals in the U S See Part IV, line 22				
3	Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees . . . . .	880,327	399,818	480,509	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . . . . .				
7	Other salaries and wages	23,790,664	21,223,286	2,489,519	77,859
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions) . . . . .	1,429,292	1,262,800	161,934	4,558
9	Other employee benefits . . . . .	9,717	-36,176	45,893	
10	Payroll taxes . . . . .	1,179,323	1,000,878	174,148	4,297
a	Fees for services (non-employees) Management . . . . .				
b	Legal . . . . .	86,976		86,976	
c	Accounting . . . . .	154,605		154,605	
d	Lobbying . . . . .				
e	Professional fundraising services See Part IV, line 17 . . . . .				
f	Investment management fees . . . . .	375		375	
g	Other . . . . .	6,934,846	5,334,008	1,541,447	59,391
12	Advertising and promotion . . . . .	129,030	120,855	4,272	3,903
13	Office expenses . . . . .	4,396,716	4,064,437	310,521	21,758
14	Information technology . . . . .	149,704	79,255	69,920	529
15	Royalties . . . . .				
16	Occupancy . . . . .	4,127,481	3,920,455	206,790	236
17	Travel . . . . .				
18	Payments of travel or entertainment expenses for any federal, state, or local public officials . . . . .				
19	Conferences, conventions, and meetings . . . . .				
20	Interest . . . . .	1,517,243	1,517,243		
21	Payments to affiliates . . . . .				
22	Depreciation, depletion, and amortization . . . . .	4,664,647	3,949,935	714,712	
23	Insurance . . . . .	4,770,625	3,545,927	1,224,698	
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	Provision for Bad Debts	5,289,734	5,289,734		
b	Medicaid Provider Tax	2,313,363	2,313,363		
c	Miscellaneous	371,537	85,665	270,779	15,093
d					
e					
f	All other expenses				
25	Total functional expenses. Add lines 1 through 24f	62,196,205	54,071,483	7,937,098	187,624
26	Joint costs. Check here <input checked="" type="checkbox"/> if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X

Balance Sheet

					(A)		(B)
					Beginning of year		End of year
Assets	<b>1</b>	Cash—non-interest-bearing . . . . .			2,982,013	<b>1</b>	1,239,618
	<b>2</b>	Savings and temporary cash investments . . . . .			14,442,680	<b>2</b>	8,801,780
	<b>3</b>	Pledges and grants receivable, net . . . . .			1,241,033	<b>3</b>	728,796
	<b>4</b>	Accounts receivable, net . . . . .			6,637,370	<b>4</b>	7,011,612
	<b>5</b>	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees <i>Complete Part II of Schedule L</i> . . . . .				<b>5</b>	
	<b>6</b>	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) <i>Schedule L</i> . . . . .				<b>6</b>	
	<b>7</b>	Notes and loans receivable, net . . . . .				<b>7</b>	
	<b>8</b>	Inventories for sale or use . . . . .				<b>8</b>	
	<b>9</b>	Prepaid expenses and deferred charges . . . . .			587,636	<b>9</b>	595,582
	<b>10a</b>	Land, buildings, and equipment <i>cost or other basis Complete Part VI of Schedule D</i> . . . . .	<b>10a</b>	90,349,113			
	<b>b</b>	Less accumulated depreciation . . . . .	<b>10b</b>	26,600,768	64,722,864	<b>10c</b>	63,748,345
	<b>11</b>	Investments—publicly traded securities . . . . .			11,808,056	<b>11</b>	14,682,022
	<b>12</b>	Investments—other securities <i>See Part IV, line 11</i> . . . . .				<b>12</b>	
	<b>13</b>	Investments—program-related <i>See Part IV, line 11</i> . . . . .				<b>13</b>	
	<b>14</b>	Intangible assets . . . . .			601,829	<b>14</b>	581,895
	<b>15</b>	Other assets <i>See Part IV, line 11</i> . . . . .			3,380,329	<b>15</b>	2,720,792
	<b>16</b>	<b>Total assets.</b> Add lines 1 through 15 (must equal line 34) . . . . .			106,403,810	<b>16</b>	100,110,442
Liabilities	<b>17</b>	Accounts payable and accrued expenses . . . . .			13,164,465	<b>17</b>	9,487,194
	<b>18</b>	Grants payable . . . . .				<b>18</b>	
	<b>19</b>	Deferred revenue . . . . .				<b>19</b>	
	<b>20</b>	Tax-exempt bond liabilities . . . . .			25,000,000	<b>20</b>	25,000,000
	<b>21</b>	Escrow or custodial account liability <i>Complete Part IV of Schedule D</i> . . . . .				<b>21</b>	
	<b>22</b>	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons <i>Complete Part II of Schedule L</i> . . . . .				<b>22</b>	
	<b>23</b>	Secured mortgages and notes payable to unrelated third parties . . . . .			771,157	<b>23</b>	868,570
	<b>24</b>	Unsecured notes and loans payable to unrelated third parties . . . . .				<b>24</b>	
	<b>25</b>	Other liabilities <i>Complete Part X of Schedule D</i> . . . . .			2,422,323	<b>25</b>	3,162,858
	<b>26</b>	<b>Total liabilities.</b> Add lines 17 through 25 . . . . .			41,357,945	<b>26</b>	38,518,622
Net Assets or Fund Balances		<b>Organizations that follow SFAS 117, check here</b> <input checked="" type="checkbox"/> <b>and complete lines 27 through 29, and lines 33 and 34.</b>					
	<b>27</b>	Unrestricted net assets . . . . .			53,695,140	<b>27</b>	51,204,545
	<b>28</b>	Temporarily restricted net assets . . . . .			7,875,789	<b>28</b>	6,903,187
	<b>29</b>	Permanently restricted net assets . . . . .			3,474,936	<b>29</b>	3,484,088
		<b>Organizations that do not follow SFAS 117, check here</b> <input type="checkbox"/> <b>and complete lines 30 through 34.</b>					
	<b>30</b>	Capital stock or trust principal, or current funds . . . . .				<b>30</b>	
	<b>31</b>	Paid-in or capital surplus, or land, building or equipment fund . . . . .				<b>31</b>	
	<b>32</b>	Retained earnings, endowment, accumulated income, or other funds . . . . .				<b>32</b>	
	<b>33</b>	Total net assets or fund balances . . . . .			65,045,865	<b>33</b>	61,591,820
	<b>34</b>	Total liabilities and net assets/fund balances . . . . .			106,403,810	<b>34</b>	100,110,442

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	59,232,937
2	Total expenses (must equal Part IX, column (A), line 25)	2	62,196,205
3	Revenue less expenses Subtract line 2 from line 1	3	-2,963,268
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	65,045,865
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-490,777
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	61,591,820

Part XII Financial Statements and Reporting

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

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

SCHEDULE A  
(Form 990 or 990EZ)

Department of the Treasury  
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization  
Huggins Hospital

Employer identification number  
02-0223332

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

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

1

☐

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

2

☐

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

3

☒

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

4

☐

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

5

☐

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

6

☐

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

7

☐

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

8

☐

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

9

☐

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

10

☐

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

11

☐

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

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Other

e

☐

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

f

☐

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

g

☐

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

(i)

a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization?

(ii)

a family member of a person described in (i) above?

(iii)

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

h

☐

Provide the following information about the supported organization(s)

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

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

Part II

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

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

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

Section B. Total Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV )						
11 Total support (Add lines 7 through 10)						
12 Gross receipts from related activities, etc (See instructions )					12	
13 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here ▶						

Section C. Computation of Public Support Percentage						
14 Public Support Percentage for 2010 (line 6 column (f) divided by line 11 column (f))					14	
15 Public Support Percentage for 2009 Schedule A, Part II, line 14					15	
16a 33 1/3% support test—2010. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶						
b 33 1/3% support test—2009. If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶						
17a 10%-facts-and-circumstances test—2010. If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶						
b 10%-facts-and-circumstances test—2009. If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶						
18 Private Foundation If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions ▶						

Part 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 section 501(c)(3) organization, check this box and <b>stop here</b> 						

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 <b>stop here</b> . 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 <b>stop here</b> . The organization qualifies as a publicly supported organization 		
20 Private Foundation If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions 		



**Part IV**

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

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SCHEDULE C  
(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527  
▶ **Complete if the organization is described below.**  
▶ **Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.**

OMB No 1545-0047

2010

Open to Public Inspection

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

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

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

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

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

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

Name of the organization Huggins Hospital	Employer identification number 02-0223332
--	--

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

1	Provide a description of the organization’s direct and indirect political campaign activities in Part IV	
2	Political expenditures	▶ \$
3	Volunteer hours	

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

1	Enter the amount of any excise tax incurred by the organization under section 4955	▶ \$
2	Enter the amount of any excise tax incurred by organization managers under section 4955	▶ \$
3	If the organization incurred a section 4955 tax, did it file Form 4720 for this year?	<input type="checkbox"/> Yes <input type="checkbox"/> No
4a	Was a correction made?	<input type="checkbox"/> Yes <input type="checkbox"/> No
b	If “Yes,” describe in Part IV	

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

1	Enter the amount directly expended by the filing organization for section 527 exempt function activities	▶ \$
2	Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt 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 <b>Form 1120-POL</b> for this year?	<input type="checkbox"/> Yes <input type="checkbox"/> No
5	Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments For each organization listed, enter the amount paid from the filing organization’s funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV	

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

Part II-A

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

A

Check

☐

if the filing organization belongs to an affiliated group

B

Check

☐

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

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing Organization's Totals	(b) Affiliated Group Totals												
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)															
b Total lobbying expenditures to influence a legislative body (direct lobbying)															
c Total lobbying expenditures (add lines 1a and 1b)															
d Other exempt purpose expenditures															
e Total exempt purpose expenditures (add lines 1c and 1d)															
f Lobbying nontaxable amount Enter the amount from the following table in both columns															
<table><thead><tr><th>If the amount on line 1e, column (a) or (b) is:</th><th>The lobbying nontaxable amount is:</th></tr></thead><tbody><tr><td>Not over \$500,000</td><td>20% of the amount on line 1e</td></tr><tr><td>Over \$500,000 but not over \$1,000,000</td><td>\$100,000 plus 15% of the excess over \$500,000</td></tr><tr><td>Over \$1,000,000 but not over \$1,500,000</td><td>\$175,000 plus 10% of the excess over \$1,000,000</td></tr><tr><td>Over \$1,500,000 but not over \$17,000,000</td><td>\$225,000 plus 5% of the excess over \$1,500,000</td></tr><tr><td>Over \$17,000,000</td><td>\$1,000,000</td></tr></tbody></table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000														
Over \$17,000,000	\$1,000,000														
g Grassroots nontaxable amount (enter 25% of line 1f)															
h Subtract line 1g from line 1a If zero or less, enter -0-															
i Subtract line 1f from line 1c If zero or less, enter -0-															
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?		<input type="checkbox"/> Yes	<input type="checkbox"/> No												

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

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) Total
2a Lobbying non-taxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots non-taxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Part II-B

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

		(a)		(b)
		Yes	No	Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
	a Volunteers?		No	
	b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
	c Media advertisements?		No	
	d Mailings to members, legislators, or the public?		No	
	e Publications, or published or broadcast statements?		No	
	f Grants to other organizations for lobbying purposes?		No	
	g Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
	h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
	i Other activities? If "Yes," describe in Part IV	Yes		11,452
	j Total lines 1c through 1i			11,452
	2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b If "Yes," enter the amount of any tax incurred under section 4912				
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912				
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?				

Part III-A

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

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

Part III-B

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

1	Dues, assessments and similar amounts from members	1	
2	Section 162(e) non-deductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).		
		2a	
		2b	
		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 1.  
Also, complete this part for any additional information.

Identifier	Return Reference	Explanation
Explanation of Other Lobbying Activities	Part II-B, Line 1i	The Organization pays dues to various associations, a portion of which are attributable to lobbying expenses

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  
Huggins Hospital

Employer identification number  
02-0223332

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

	(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year	
2	Aggregate contributions to (during year)	
3	Aggregate grants from (during year)	
4	Aggregate value at end of year	
5	Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>	
6	Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>	

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

1

Purpose(s) of conservation easements held by the organization (check all that apply)

☐ Preservation of land for public use (e g , recreation or pleasure)☐ Preservation of an historically importantly land area  
☐ Protection of natural habitat☐ Preservation of a certified historic structure  
☐ Preservation of open space

2

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

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

3

Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ► \_\_\_\_\_

4

Number of states where property subject to conservation easement is located ► \_\_\_\_\_

5

Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

☐ Yes ☐ No

6

Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year ► \_\_\_\_\_

7

Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ► \$ \_\_\_\_\_

8

Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)?

☐ Yes ☐ No

9

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

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

1a

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

b

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

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

► \$ \_\_\_\_\_

(ii) Assets included in Form 990, Part X

► \$ \_\_\_\_\_

2

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

a

Revenues included in Form 990, Part VIII, line 1

► \$ \_\_\_\_\_

b

Assets included in Form 990, Part X

► \$ \_\_\_\_\_

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

Cat No 52283D

Schedule D (Form 990) 2010

Part III

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

3

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

a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other

4

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

5

During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?

☐ Yes

☐ No

Part IV

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

1a

Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?

☐ Yes

☐ No

b

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

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

	Amount
1c	
1d	
1e	
1f	

2a

Did the organization include an amount on Form 990, Part X, line 21?

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV

Part V

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

	(a)Current Year	(b)Prior Year	(c)Two Years Back	(d)Three Years Back	(e)Four Years Back
1a Beginning of year balance . . . . .	9,918,249	9,805,179	9,684,899		
b Contributions . . . . .	9,152	5,125	246,777		
c Investment earnings or losses . . . . .	-307,873	376,905	-112,132		
d Grants or scholarships . . . . .					
e Other expenditures for facilities and programs . . . . .	118,858	268,960			
f Administrative expenses . . . . .			14,365		
g End of year balance . . . . .	9,500,670	9,918,249	9,805,179		

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶ 0 %

b

Permanent endowment ▶ 36 670 %

c

Term endowment ▶ 63 330 %

3a

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

(i) unrelated organizations . . . . .

3a(i)

Yes

No

(ii) related organizations . . . . .

3a(ii)

Yes

No

b

If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

3b

4

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

Part VI

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

Description of investment	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land . . . . .		1,638,475		1,638,475
b Buildings . . . . .		54,738,432	7,865,985	46,872,447
c Leasehold improvements . . . . .				
d Equipment . . . . .		27,625,885	17,496,194	10,129,691
e Other . . . . .		6,346,321	1,238,589	5,107,732
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) . . . . . ▶				63,748,345

Schedule D (Form 990) 2010



Part XI

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

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	
9	Total adjustments (net) Add lines 4 - 8	9	
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	

Part XII

Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

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

Part XIII

Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

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

Part XIV

Supplemental Information

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

Identifier	Return Reference	Explanation
Description of Intended Use of Endowment Funds	Part V, Line 4	The intended use of the endowment fund is to support health care services including indigent care, health education, adult daycare as well as capital improvements and acquisitions.



## Supplemental Information Regarding Fundraising or Gaming Activities

Department of the Treasury  
Internal Revenue Service

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

OMB No 1545-0047

# 2010

## Open to Public Inspection

Name of the organization  
Huggins Hospital

**Employer identification number**  
02-0223332

**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?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
Total . . . . . ►						

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

[illegible]

Part II Fundraising Events.

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

Revenue			(a) Event #1	(b) Event #2	(c) Other Events	(d) Total Events
			2011 Golf Tournament (event type)	(event type)	(total number)	(Add col (a) through col (c))
	1	Gross receipts . . . .	33,918			33,918
	2	Less Charitable contributions . . . .				
	3	Gross income (line 1 minus line 2) . . . .	33,918			33,918
Direct Expenses	4	Cash prizes . . . .				
	5	Non-cash prizes . . . .				
	6	Rent/facility costs . . . .				
	7	Food and beverages . . . .				
	8	Entertainment . . . .				
	9	Other direct expenses . . . .	14,152			14,152
	10	Direct expense summary Add lines 4 through 9 in column (d) . . . . . ▶				14,152
	11	Net income summary Combine lines 3 and 10 in column (d). . . . . ▶				19,766

Part III Gaming.

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

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

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

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

b If "No," Explain \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

b If "Yes," Explain \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

11

Does the organization operate gaming activities with nonmembers?

☐ Yes ☐ No

12

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

☐ Yes ☐ No

13

Indicate the percentage of gaming activity operated in

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

14

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

Name  \_\_\_\_\_



Address  \_\_\_\_\_

15a

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

☐ Yes ☐ No

b

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


c

If "Yes," enter name and address

Name  \_\_\_\_\_

Address  \_\_\_\_\_

16 Gaming manager information

Name  \_\_\_\_\_

Gaming manager compensation  \$ \_\_\_\_\_

Description of services provided  \_\_\_\_\_

☐ Director/officer      ☐ Employee      ☐ Independent contractor

17


Mandatory distributions

a

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

☐ Yes ☐ No

b

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

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

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

SCHEDULE H  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Hospitals

OMB No 1545-0047

2010

Open to Public Inspection

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

Name of the organization  
Huggins Hospital

Employer identification number  
02-0223332

Part I

Financial Assistance and Certain Other Community Benefits at Cost

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

7

Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheets 1 and 2)			4,344,616	2,767,176	1,577,440	2 770 %
b Unreimbursed Medicaid (from Worksheet 3, column a)			2,592,939	679,383	1,913,556	3 360 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs . . . . .			6,937,555	3,446,559	3,490,996	6 130 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			124,438		124,438	0 220 %
f Health professions education (from Worksheet 5)			68,313		68,313	0 120 %
g Subsidized health services (from Worksheet 6)			9,715,763	6,850,686	2,865,077	5 030 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions to community groups (from Worksheet 8)			8,708		8,708	0 020 %
j Total Other Benefits . . . . .			9,917,222	6,850,686	3,066,536	5 390 %
k Total. Add lines 7d and 7j			16,854,777	10,297,245	6,557,532	11 520 %

Part IICommunity 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
1Physical improvements and housing						
2Economic development			2,716		2,716	0 %
3Community support			11,975		11,975	0 020 %
4Environmental improvements			13,020		13,020	0 020 %
5Leadership development and training for community members						
6Coalition building						
7Community health improvement advocacy			11,117		11,117	0 020 %
8Workforce development			16,585		16,585	0 030 %
9Other						
10Total			55,413		55,413	0 090 %

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

			Yes	No
1	Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?	1	Yes	
2	Enter the amount of the organization's bad debt expense (at cost)	2	3,004,421	
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	0	
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	14,701,591	
6	Enter Medicare allowable costs of care relating to payments on line 5	6	18,766,330	
7	Subtract line 6 from line 5. This is the surplus or (shortfall)	7	-4,064,739	
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other			

Section C. Collection Practices

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

Part IVManagement Companies and Joint Ventures

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

## Section A. Hospital Facilities

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

**Schedule H (Form 990) 2010**

Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

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

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

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

Part VI

Supplemental Information

Complete this part to provide the following information

- 1
- Required descriptions.** Provide the description required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21
- 2
- Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B
- 3
- Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy
- 4
- Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves
- 5
- Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g, open medical staff, community board, use of surplus funds, etc )
- 6
- Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served
- 7
- State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

Identifier	ReturnReference	Explanation
		Part I, Line 7 The amounts reported on Lines 7a, 7b, 7c, & 7g were computed using a cost-to-charge ratio The amounts reported on Lines 7e, 7f, & 7i were computed using actual costs



Identifier	ReturnReference	Explanation
		Part I, Line 7g The Organization has included the costs of physician clinics as part of its subsidized health services Costs associated with the clinics reported on line 7g total \$1,606,366

Identifier	ReturnReference	Explanation
		Part I, L7 Col(f) Bad Debt expense of \$5,289,734 was removed from total expenses for purposes of computing the percentages on Schedule H, Part I, line 7

Identifier	ReturnReference	Explanation
		<p>Part II Community Building Activities Community-building activities include cash, in-kind donations, and budgeted expenditures by the Trust for the development of programs and partnerships intended to address social and economic determinants of health Sub-categories in this area include Physical Improvements/Housing Community improvement and revitalization projects, housing rehabilitation, public works, contribution to community-based assisted living, senior and low income housing projects, home safety assessment and installation - Mr Goodwin sits on the Eastern Lakes Regional Housing Corp as the Carroll County area is developing plans to build work-force housing This group is responsible for educating Town Planning Boards and partnering with local employers regarding house issues Economic Development Small business development, participation in economic development council, chamber of commerce - Gene Goodwin is a member on the WEDCO Board and its mission is to promote and support businesses and the creation of employment opportunities by providing development assistance and financing - Gene Goodwin is a member on the Hearth Stone Homes of Wolfeboro Board of Directors which is two low income housing developments that assists people for placement within these two developments - David Tower the former CEO of the Hospital sat on the Wolfeboro Area Chamber of Commerce and the Town Economic Development Committee Support Systems Enhancements Adopt-a-school efforts, childcare for community residents with qualified need, mentoring programs, youth development initiatives, including categories of caring adults, safe places, emergency preparedness, community disease surveillance and reporting infrastructure, cost of stockpiling, medical, surgical, and pharmaceutical supplies, including barriers, respirators, clothing, IV pumps and poles, IV fluids, suction machines, stretchers, wheelchairs, linens, bandages, and dressings, personal protective equipment, costs associated with training, community partnership, and outreach planning - We have several employees that are specially trained as part of the Carroll County Emergency Preparedness team for the State of New Hampshire As being designated as part of that team our employees must attend specialized training and perform drills that stretch across Carroll County In addition our employee Ms Janet Williamson is the Chair of our Emergency Preparedness Committee and the Hospital's EMS Interceptor She is qualified to provide continued education to our local EMS providers which she does several times a year As part of our Emergency Preparedness team we also provide flu clinics for all of our surrounding EMS providers - The Hospital has seen an increase in patients having mental health issues and the Hospital is having to hold patients for several days before beds become available Meetings were established with the State of New Hampshire Hospital, County Jail, and Northern Human Services and local police chiefs to evaluate and assess the process to ensure the agencies are working together to address the lack of mental health services in NH Environmental Improvements Efforts to reduce environmental hazards in the air, water and ground including lead detection and remediation, radon detection and remediation, community waste reduction and sharps disposal programs, health care facility waste and mercury reduction - In March of 2010 Huggins Hospital instituted a sharps disposal program at the Hospital and each of its off-site locations for anyone in the community to drop off their sharps and have them safely disposed of at no cost to community members seeking the service Coalition Building Organizational representation on community coalitions, collaborative partnerships with community groups to improve community health, community coalition meeting costs, visioning, sessions, task force meetings, etc and costs for task-force specific project initiatives - The Hospital contributed several hours of our massage therapists for several area charity auctions Over the course of three months the Hospital partnered with the Governor Wentworth Regional School District to provide them with on-site Athletic Trainers as they recruited for this open position - Hospital employees sit on the Carroll County Coalition which provides training and development of teen initiatives to promote healthy life style choices and opportunities for the children in the community to participate in - Each quarter the Hospital publishes articles on various health topics for all of our service areas Our physicians contribute wellness information and other classes and programs that are being offered at Huggins Community Health Improvement Advocacy Local, state, and /or national advocacy for community members and groups relative to policies and funding to improve community and public health including the social and economic determinants of health - Huggins held a Community Health Care Forum</p>

Identifier	ReturnReference	Explanation
		<p>with the key note speaker being Steve Ahnen, President of the New Hampshire Hospital Association. He specifically addressed the national healthcare changes and the impact it will have on all Americans as well as any State laws regarding healthcare reform. - Mr. Tower sat on the New Hampshire Hospital Association Board and was the Chairman of the Rural Health Coalition, which is made up of the 13 NH Critical Access Hospitals which specifically addresses issues and concerns relative to critical access hospitals. Workforce Enhancement. Recruitment of physicians and other health professionals for government-designated medically underserved areas, recruitment of underrepresented minorities, job creation and training programs, participation in community workforce boards, workforce partnerships, and welfare-to-work initiatives, partnerships to address the health care workforce shortage, school and community-based programs on health care careers. - The Hospital had to recruit for an open internist position, we are federally designated a Rural Critical Access Hospital. Due to our Hospital location it is extremely difficult to recruit physicians to a rural area and with many physicians moving towards specialized medicine it is difficult to recruit MD, DO and staff to this area without having specialized care options available to treat critically ill patients, which many graduates are familiar with. It took us many months of utilizing locums and marketing to hire Dr. Furlan.</p>

Identifier	ReturnReference	Explanation
		Part III, Line 4 Patient accounts receivable are stated at the amount management expects to collect from outstanding balances Management provides for probable uncollectible amounts through a charge to operations and a credit to a valuation allowance based on its assessment of individual accounts and historical adjustments Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to patient accounts receivable The Hospital used a cost-to-charge ratio as its costing methodology for amounts reported in Part III, Section A

Identifier	ReturnReference	Explanation
		Part III, Line 8 The Organization used a cost-to-charge ratio as its costing methodology to determine the amount of Medicare allowable costs

Identifier	ReturnReference	Explanation
		Part III, Line 9b As a not-for-profit, tax-exempt, and charitable organization, Huggins Hospital serves all in medical need regardless of ability to pay The Organization is governed by a volunteer Board of Trustees committed to balancing community needs with our available resources to meet those needs As a hospital-employed medical staff, all fourteen physican practices accept patients regardless of ability to pay

Identifier	ReturnReference	Explanation
		Part VI, Line 2 In 2009 as part of an every three-year process, the Hospital in collaboration with the VNA of Southern Carroll County & Vicinity, Inc completed a Community Needs Assessment for the purpose of assessing the region's most prevalent medical conditions The assessment was done through interviews and surveys of key community leaders, local and area selectmen, School Administrative Unit #49 teachers and staff including letters and surveys to all families in the district Heart disease, cancer, stroke, respiratory illness, trauma, and diabetes make up much of the medical care needs of the area we serve Many of the services we provide are inadequately reimbursed by both government and private insurers Through the Community Needs Assessment, we have established programs that are designed to meet the needs of special populations such as at-risk youth, the elderly, the impoverished, and those with disabilities, chronic and terminal illnesses



Identifier	ReturnReference	Explanation
		Part VI, Line 3 Huggins Hospital provides a notice to all patients both in the hospital and its physician practices of the financial assistance programs available to them There is a staff of three financial councilors who work with the uninsured and underinsured to assist in qualifying for Charity Care or a sliding fee schedule depending on the family income Financial councilors also assist those uninsured in applying for and receiving assistance through the Medicaid program

Identifier	ReturnReference	Explanation
		Part VI, Line 4 The population served by Huggins Hospital consists of those towns that have been designated by the New Hampshire Department of Health and Human Services as being located in the Wolfeboro Hospital Service Area The primary service area includes Alton, Brookfield, Effingham, Freedom, Ossipee, Tamworth, Tuftonboro, Wakefield, and Wolfeboro Secondary service areas are parts of Gilford, Moultonborough, New Durham and Barnstead and are also considered a part of the Huggins Hospital service area These towns are located in Carroll County, Belknap County, and Strafford County Our community is rural in nature and is a section of the State that has seasonal population changes Our year round population base of approximately 33,000 citizens expands in the tourist season to about 90,000 residents

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

Schedule J  
(Form 990)

Compensation Information

OMB No 1545-0047

2010

Open to Public Inspection

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

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

▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization Huggins Hospital	Employer identification number 02-0223332
--	--

Part I

Questions Regarding Compensation

	Yes	No
1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items		
<input type="checkbox"/> First-class or charter travel		
<input type="checkbox"/> Travel for companions		
<input type="checkbox"/> Tax idemnification and gross-up payments		
<input type="checkbox"/> Discretionary spending account		
<input type="checkbox"/> Housing allowance or residence for personal use		
<input type="checkbox"/> Payments for business use of personal residence		
<input type="checkbox"/> Health or social club dues or initiation fees		
<input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)		
1b If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain		
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?		
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		
<input type="checkbox"/> Compensation committee		
<input checked="" type="checkbox"/> Independent compensation consultant		
<input type="checkbox"/> Form 990 of other organizations		
<input checked="" type="checkbox"/> Written employment contract		
<input checked="" type="checkbox"/> Compensation survey or study		
<input checked="" type="checkbox"/> 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?		No
b Participate in, or receive payment from, a supplemental nonqualified retirement plan?	Yes	
c Participate in, or receive payment from, an equity-based compensation arrangement?		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?		No
b Any related organization?		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?		No
b Any related organization?		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		No
8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III		No
9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?		

**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) David W Tower FACHE	(i)	240,416	20,000	198	10,000	22,895	293,509	0
	(ii)	0	0	0	0	0	0	0
(2) Timothy Pinard	(i)	196,861	0	30	0	22,664	219,555	0
	(ii)	0	0	0	0	0	0	0
(3) Ernest G Enck Jr	(i)	187,000	0	0	0	0	187,000	0
	(ii)	0	0	0	0	0	0	0
(4) Thomas Barton	(i)	290,821	12,750	129	0	27,504	331,204	0
	(ii)	0	0	0	0	0	0	0
(5) Eric Lewis	(i)	215,874	69,393	69	0	23,103	308,439	0
	(ii)	0	0	0	0	0	0	0
(6) George W Costello	(i)	324,623	17,306	69	0	22,664	364,662	0
	(ii)	0	0	0	0	0	0	0
(7) Dennis Badman	(i)	200,348	112,361	129	0	22,664	335,502	0
	(ii)	0	0	0	0	0	0	0
(8) Gerald Godfrey	(i)	272,845	0	30	0	7,754	280,629	0
	(ii)	0	0	0	0	0	0	0
( 9 )								
( 10 )								
( 11 )								
( 12 )								
( 13 )								
( 14 )								
( 15 )								
( 16 )								

Part III

Supplemental Information

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

Identifier	Return Reference	Explanation
	Part I, Line 4b	Leslie MacLeod participates in a split-dollar life insurance plan related to his prior employment with the Organization several years ago. The applicable amounts are not readily determinable.
Supplemental Information	Part III	Form 990, Part VII, Section A, Line 5 Michael Connelly received compensation from an unrelated third party for services rendered to the Organization for three months, from July through September 2011. His compensation was as follows: Compensation \$50,400.

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  
Huggins Hospital

Employer identification number  
02-0223332

Part I

Bond Issues

(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer		(i) Pool financing	
						Yes	No	Yes	No	Yes	No
A Business Finance Authority of the State of New Hampshire	52-1304598	64448KBF2	11-15-2007	10,000,000	Financing of Construction Project		X		X		X
B Business Finance Authority of the State of New Hampshire	52-1304598	64468KBM7	10-06-2009	15,000,000	Financing of Construction Project		X		X		X

Part II

Proceeds

		A		B		C		D	
1	Amount of bonds retired	10,000,000		15,000,000					
2	Amount of bonds legally defeased	1,209,816		1,209,816					
3	Total proceeds of issue								
4	Gross proceeds in reserve funds								
5	Capitalized interest from proceeds								
6	Proceeds in refunding escrow								
7	Issuance costs from proceeds	187,687		188,500					
8	Credit enhancement from proceeds								
9	Working capital expenditures from proceeds								
10	Capital expenditures from proceeds	9,812,313		13,490,234					
11	Other spent proceeds								
12	Other unspent proceeds								
13	Year of substantial completion	2010		2010					
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?		X		X				
15	Were the bonds issued as part of an advance refunding issue?		X		X				
16	Has the final allocation of proceeds been made?	X		X					
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X					

Part III

Private Business Use

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

Part IIIPrivate Business Use (Continued)

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

Part IVArbitrage

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

Part VSupplemental Information

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

Identifier	Return Reference	Explanation



Schedule L  
(Form 990 or 990-EZ)

Transactions with Interested Persons

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization  
Huggins Hospital

Employer identification number  
02-0223332

Part I

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

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

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

2

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

\$

3

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

\$

Part II

Loans to and/or From Interested Persons.

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

(a) Name of interested person and purpose	(b) Loan to or from the organization?		(c)Original principal amount	(d)Balance due	(e) In default?		(f) Approved by board or committee?		(g)Written agreement?	
	To	From			Yes	No	Yes	No	Yes	No
(1) Paul E DeMasi DO		X	161,019	62,863		No	Yes		Yes	
Total . . . . .					\$ 62,863					

Part III

Grants or Assistance Benefitting Interested Persons.

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

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

**Part IV**

**Business Transactions Involving Interested Persons.**  
Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) Jodi C Balint	Family member of James Cubbedu, current trustee	120,414	Employment		No
(2) Richard Tower	Family member of David Tower, Past President	65,757	Employment (compensation & benefits)		No
(3) Jennifer Pinard	Family member of Timothy Pinard, current trustee	23,311	Employment		No

**Part V**

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

Identifier	Return Reference	Explanation
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SCHEDULE O  
(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2010

Open to Public  
Inspection

Name of the organization Huggins Hospital	Employer identification number 02-0223332
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Identifier	Return Reference	Explanation
Form 990, Part VI, Section B, line 11		A designated officer or management official meets with the preparer to discuss a draft of the Form 990 in detail. Once any necessary revisions are made, this draft is then submitted to the Finance & Budget Committee for further review. Afterwards, a copy of the public inspection copy of Form 990 is made available to the full board for their general review and comment prior to filing the return. A designated officer then signs the return after considering board comments.

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section B, line 12c	A copy of the conflict of interest policy is given to every officer, board member, and key employee on an annual basis, along with an annual disclosure statement. Each person is asked to complete, date and sign the disclosure statement, listing any known financial interest that the individual, or a member of the individual's family, has in any business entity that transacts business with the Organization. The Chairman of the board then reviews and maintains the disclosure statements for future reference. If a conflict arises, the board member will recuse themselves from participation in the deliberations and decisions relating to that conflict.

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section B, line 15	The Hospital retains a consultant that specializes in executive compensation and who provides comparable salary data for each senior executive and President based on the size and location of the Hospital. The President of the Hospital reviews the report with the Chairman of the Board. The President's salary is determined by three members of the Executive Committee of the Board as part of an annual performance review, and their recommendation is shared with the full Board for final approval. Other senior staff salaries are determined by the President based on comparable data provided by the consultant. Each year the President provides the Board a list of the five highest paid senior staff.

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section C, line 19	The governing documents, conflict of interest policy, and financial statements are made available to the public upon request for inspection in the President's office

Identifier	Return Reference	Explanation
	Form 990, Part VII, Section A	Leslie MacLeod, current president, and Michael Connelly, current CFO, have no compensation listed as their employment with the Organization did not begin until 2011. All compensation listed in Part VII is based on calendar year 2010.

Identifier	Return Reference	Explanation
Changes in Net Assets or Fund Balances	Form 990, Part XI, line 5	Net unrealized losses on investments -558,935 Pension Liability Adjustment 808,693 Change in Value of Interest Rate Sw ap -740,535 Total to Form 990, Part XI, Line 5 -490,777



Identifier	Return Reference	Explanation
Oversight of Audit	Form 990, Part XI, line 2c	The audit process has not changed from prior years

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  
Huggins Hospital

Employer identification number  
02-0223332

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

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) Disproporionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	

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) Huggins Senior Housing PO Box 912 Wolfeboro, NH03894 02-0490445	Elderly Housing	NH	N/A	C	595,601	500,155	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

1 During the tax year, did the organization 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

b Gift, grant, or capital contribution to other organization(s)

c Gift, grant, or capital contribution from other organization(s)

d Loans or loan guarantees to or for other organization(s)

e Loans or loan guarantees by other organization(s)

f Sale of assets to other organization(s)

g Purchase of assets from other organization(s)

h Exchange of assets

i Lease of facilities, equipment, or other assets to other organization(s)

j Lease of facilities, equipment, or other assets from other organization(s)

k Performance of services or membership or fundraising solicitations for other organization(s)

l Performance of services or membership or fundraising solicitations by other organization(s)

m Sharing of facilities, equipment, mailing lists, or other assets

n Sharing of paid employees

o Reimbursement paid to other organization for expenses

p Reimbursement paid by other organization for expenses

q Other transfer of cash or property to other organization(s)

r Other transfer of cash or property from other organization(s)

Yes

No

1a

1b

1c

1d

1e

1f

1g

1h

1i

1j

1k

1l

1m

1n

1o

1p

1q

1r

No

No

No

Yes

No

No

No

No

No

No

No

No

No

No

No

No

No

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) Huggins Senior Housing	D	1,069,302	Fair Market Value
(2)			
(3)			
(4)			
(5)			
(6)			

Schedule R (Form 990) 2010

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.

[illegible]

Part VII

Supplemental Information

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

Identifier	Return Reference	Explanation
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## **HUGGINS HOSPITAL AND SUBSIDIARY**

### **CONSOLIDATED FINANCIAL STATEMENTS**

**and**

### **ADDITIONAL INFORMATION**

**September 30, 2011 and 2010**

**With Independent Auditors' Report**



# **HUGGINS HOSPITAL AND SUBSIDIARY**

## **Index to Consolidated Financial Statements and Additional Information**

**September 30, 2011 and 2010**

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## INDEPENDENT AUDITORS' REPORT

The Board of Trustees  
Huggins Hospital and Subsidiary

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

We conducted our audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the 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 consolidated financial position of Huggins Hospital and Subsidiary as of September 30, 2011 and 2010, and the consolidated results of their operations, changes in their net assets, and their consolidated cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Schedules 1 through 7 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Berry Dunn McNeil & Parker, LLC*

Portland, Maine  
December 7, 2011

# HUGGINS HOSPITAL AND SUBSIDIARY

## Consolidated Balance Sheets

September 30, 2011 and 2010

### ASSETS

	<u>2011</u>	<u>2010</u>
Current assets		
Cash and cash equivalents	\$ 3,773,221	\$ 7,555,762
Short-term investments	-	574,697
Assets limited as to use - current portion	239,657	2,892,641
Accounts receivable from patients, less allowances for uncollectible accounts and contractals (2011 -\$9,019,000; 2010 - \$7,308,000)	6,350,408	6,304,956
Estimated third-party payor settlements	357,921	889,344
Pledges receivable	463,055	533,743
Other accounts/notes receivable	694,747	367,909
Other current assets	<u>600,506</u>	<u>592,835</u>
Total current assets	12,479,515	19,711,887
Assets limited as to use, less current portion	6,617,290	6,485,210
Pledges receivable, net	265,741	707,290
Property and equipment, net	64,019,626	64,997,170
Deferred financing costs	581,895	601,829
Long-term investments	14,182,032	11,808,056
Property held for sale, less valuation allowance of \$50,000 at September 30, 2011 and 2010	101,627	101,627
Cash surrender value of life insurance	<u>1,293,569</u>	<u>1,293,569</u>
Total assets	<u>\$ 99,541,295</u>	<u>\$ 105,706,638</u>

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

## LIABILITIES AND NET ASSETS

	<u>2011</u>	<u>2010</u>
Current liabilities		
Accounts payable and other current liabilities	\$ 1,702,666	\$ 1,705,610
Accounts payable - construction	-	2,713,839
Accrued salaries and related accounts	2,893,550	2,616,006
Current portion of long-term debt	<u>262,146</u>	<u>106,432</u>
Total current liabilities	4,858,362	7,141,887
Accrued pension cost	4,920,057	6,138,444
Interest rate swap	3,162,858	2,422,323
Long-term debt	<u>25,606,424</u>	<u>25,664,725</u>
Total liabilities	<u>38,547,701</u>	<u>41,367,379</u>
Commitments and contingencies (Notes 9 and 11)		
Net assets		
Unrestricted	50,606,319	52,988,534
Temporarily restricted	6,903,187	7,875,789
Permanently restricted	<u>3,484,088</u>	<u>3,474,936</u>
Total net assets	<u>60,993,594</u>	<u>64,339,259</u>
Total liabilities and net assets	\$ <u>99,541,295</u>	\$ <u>105,706,638</u>

**HUGGINS HOSPITAL AND SUBSIDIARY**  
**Consolidated Statements of Operations**  
**Years Ended September 30, 2011 and 2010**

	<u><b>2011</b></u>	<u><b>2010</b></u>
Unrestricted revenues and gains		
Net patient service revenue	\$ <b>54,935,053</b>	\$ 50,762,721
Other operating revenues	<b>2,560,909</b>	2,278,456
Investment income allotted for operations	<b>471,744</b>	491,054
Net assets released from restrictions for operating purposes	<u><b>118,192</b></u>	<u>115,631</u>
Total revenues and gains	<u><b>58,085,898</b></u>	<u>53,647,862</u>
Expenses		
Salaries and wages	<b>26,012,365</b>	24,603,743
Supplies and other	<b>24,590,086</b>	22,029,495
Depreciation and amortization	<b>4,667,672</b>	2,732,465
Provision for bad debts	<b>5,289,734</b>	4,804,973
Interest	<b>1,517,243</b>	637,463
Loss on disposal of property and equipment	<u><b>21,097</b></u>	<u>469,072</u>
Total expenses	<u><b>62,098,197</b></u>	<u>55,277,211</u>
Operating loss	<u><b>(4,012,299)</b></u>	<u>(1,629,349)</u>
Nonoperating gains (losses)		
Contributions	<b>1,008,535</b>	521,835
Development costs	<b>(197,218)</b>	(205,969)
Nonoperating investment income	<b>(1,251)</b>	763,600
Change in value of interest rate swap	<u><b>(740,535)</b></u>	<u>(812,578)</u>
Nonoperating gains, net	<u><b>69,531</b></u>	<u>266,888</u>
Deficiency of revenues and gains over expenses	<b>(3,942,768)</b>	(1,362,461)
Net assets released from restrictions for capital acquisitions	<b>779,640</b>	523,837
Net unrealized losses on investments	<b>(27,780)</b>	(673,931)
Pension liability adjustment	<u><b>808,693</b></u>	<u>178,578</u>
Decrease in unrestricted net assets	<u><b>\$ (2,382,215)</b></u>	<u>\$ (1,333,977)</u>

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

# HUGGINS HOSPITAL AND SUBSIDIARY

## Consolidated Statements of Changes in Net Assets

Years Ended September 30, 2011 and 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Balances, October 1, 2009	\$ <u>54,322,511</u>	\$ <u>7,557,404</u>	\$ <u>3,469,811</u>	\$ <u>65,349,726</u>
Deficiency of revenues and gains over expenses	(1,362,461)	-	-	(1,362,461)
Contributions	-	849,840	5,125	854,965
Investment income	-	25,049	-	25,049
Net assets released from restrictions for operations	-	(115,631)	-	(115,631)
Net assets released from restrictions for capital acquisitions	523,837	(523,837)	-	-
Spending policy allotment	-	(268,960)	-	(268,960)
Realized gains on sales of investments	-	536,576	-	536,576
Net unrealized losses on investments	(673,931)	(184,652)	-	(858,583)
Pension liability adjustment	<u>178,578</u>	<u>-</u>	<u>-</u>	<u>178,578</u>
Net increase (decrease) in net assets	<u>(1,333,977)</u>	<u>318,385</u>	<u>5,125</u>	<u>(1,010,467)</u>
Balances, September 30, 2010	<u>52,988,534</u>	<u>7,875,789</u>	<u>3,474,936</u>	<u>64,339,259</u>
Deficiency of revenues and gains over expenses	(3,942,768)	-	-	(3,942,768)
Contributions	-	351,934	9,152	361,086
Investment income	-	41,984	-	41,984
Net assets released from restrictions for operations	-	(118,192)	-	(118,192)
Net assets released from restrictions for capital acquisitions	779,640	(779,640)	-	-
Spending policy allotment	-	(118,858)	-	(118,858)
Realized gains on sales of investments	-	181,325	-	181,325
Net unrealized losses on investments	(27,780)	(531,155)	-	(558,935)
Pension liability adjustment	<u>808,693</u>	<u>-</u>	<u>-</u>	<u>808,693</u>
Net increase (decrease) in net assets	<u>(2,382,215)</u>	<u>(972,602)</u>	<u>9,152</u>	<u>(3,345,665)</u>
Balances, September 30, 2011	\$ <u>50,606,319</u>	\$ <u>6,903,187</u>	\$ <u>3,484,088</u>	\$ <u>60,993,594</u>

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

**HUGGINS HOSPITAL AND SUBSIDIARY**  
**Consolidated Statements of Cash Flows**  
**Years Ended September 30, 2011 and 2010**

	<u><b>2011</b></u>	<u><b>2010</b></u>
Cash flows from operating activities		
Change in net assets	\$ (3,345,665)	\$ (1,010,467)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation and amortization	4,667,672	2,732,465
Provision for bad debts	5,289,734	4,804,973
Loss on disposal of property and equipment	21,097	469,072
Net realized and unrealized (gains) losses on investments	358,663	(565,769)
Pension liability adjustment	(808,693)	(178,578)
Unrealized loss on interest rate swap	740,535	812,578
Restricted contributions	(361,086)	(854,965)
(Increase) decrease in		
Accounts receivable from patients	(5,335,186)	(4,844,491)
Estimated third-party payor settlements	531,423	-
Other current assets	(7,671)	(73,537)
Other accounts/notes receivable	(326,838)	(20,612)
Increase (decrease) in		
Accounts payable and other current liabilities	(2,944)	(1,080,657)
Accrued salaries and related accounts	277,544	98,802
Estimated third-party payor settlements	-	(1,103,562)
Accrued pension cost	(409,694)	267,939
Net cash provided (used) by operating activities	<u>1,288,891</u>	<u>(546,809)</u>
Cash flows from investing activities		
Purchase of property and equipment	(6,188,234)	(22,286,454)
Purchase of investments	(14,296,734)	(49,427,213)
Proceeds from sale of investments	14,659,675	58,293,679
Net cash used by investing activities	<u>(5,825,293)</u>	<u>(13,419,988)</u>
Cash flows from financing activities		
Proceeds from the issuance of long-term debt	-	15,000,000
Payments on long-term debt	(119,462)	(100,998)
Restricted contributions, net of pledges	873,323	549,229
Payment of deferred financing costs	-	(505,691)
Net cash provided by financing activities	<u>753,861</u>	<u>14,942,540</u>
Net (decrease) increase in cash and cash equivalents	<u>(3,782,541)</u>	975,743
Cash and cash equivalents, beginning of year	<u>7,555,762</u>	<u>6,580,019</u>
Cash and cash equivalents, end of year	<u>\$ 3,773,221</u>	<u>\$ 7,555,762</u>
Supplemental disclosure of cash flow information		
Interest paid	<u>\$ 1,082,232</u>	<u>\$ 1,082,232</u>

During 2011, the Hospital entered into a capital lease for equipment and has treated it as a non-cash transaction

Construction accounts payable of \$2,713,839 at September 30, 2010 was treated as non-cash and converted to a cash transaction in 2011.

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

**HUGGINS HOSPITAL AND SUBSIDIARY**  
**Notes to Consolidated Financial Statements**  
**September 30, 2011 and 2010**

**Organization**

Huggins Hospital (the Hospital) is a not-for-profit critical access hospital in Wolfeboro, New Hampshire. The Hospital provides inpatient, outpatient, extended care, assisted living, primary care and emergency care services to residents of East-Central New Hampshire. Huggins Senior Housing, Inc. (HSH), organized during 1996, is a wholly-owned subsidiary of the Hospital. HSH is the for-profit management company of a retirement community in Wolfeboro, New Hampshire.

**1. Summary of Significant Accounting Policies**

**Principles of Consolidation**

The consolidated financial statements represent the parent and subsidiary activities after the elimination of all material intercompany balances and activity

**Use of Estimates**

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

**Cash and Cash Equivalents**

Cash and cash equivalents include certain investments in highly liquid debt instruments with original maturities of three months or less. The Hospital has cash balances in financial institutions that exceed federal depository insurance limits. However, management believes that credit risk related to these investments is minimal. The Hospital has not experienced any losses in such accounts.

**Accounts Receivable from Patients**

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

**HUGGINS HOSPITAL AND SUBSIDIARY**  
**Notes to Consolidated Financial Statements**

**September 30, 2011 and 2010**

**Investments**

Investments in equity securities with readily determinable fair values, and all investments in debt securities are recorded at fair value. Investment income from funded depreciation, Board-designated investments, and unrestricted investments is reported as nonoperating investment income net of the amount allotted for operations per the Hospital's spending policy. This investment income is included in other operating revenues.

Realized gains or losses on the sale of investments are determined by use of average cost. Unrealized gains and losses on investments are excluded from the deficiency of revenues and gains over expenses, and are reported as an increase or decrease in net assets, except that declines in fair value that are judged to be other than temporary are reported as realized losses. No unrealized losses were deemed to be other than temporary in 2011 and 2010. The Hospital had investments that were below cost by approximately \$716,212 and \$155,814 at September 30, 2011 and 2010, respectively.

Investments in general are exposed to various risks, such as interest rate, credit, and overall market volatility. As such, it is at least 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 consolidated balance sheets and statements of operations.

**Donor-Restricted Gifts**

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

**Assets Limited as to Use**

Assets limited as to use include designated assets set aside by the Board of Trustees for future capital improvements and funds held by trustees under the revenue bond agreement. Board-designated funds are controlled by the Board and it may, at its discretion, subsequently use them for other purposes.



**HUGGINS HOSPITAL AND SUBSIDIARY**  
**Notes to Consolidated Financial Statements**  
**September 30, 2011 and 2010**

**Interest Rate Swap**

The Hospital uses an interest rate swap contract to eliminate the cash flow exposure of interest rate movements on variable-rate debt. The Hospital has adopted Financial Accounting Standards Board (FASB) ASC 815, *Derivatives and Hedging*, to account for its interest rate swap contract. The interest rate swap contract has not been designated as a cash flow hedge. Unrealized gains and losses on the fair value of derivative financial instruments not designated as cash flow hedges are required to be included in the performance indicator. As a result, the unrealized losses in fair value of the interest rate swap for 2011 and 2010 have been included in the deficiency of revenues and gains over expenses. The Hospital expects to hold the swap until its maturity, at which point unrealized gains or losses will be zero.

**Property and Equipment**

Property and equipment acquisitions are recorded at cost. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method.

Gifts of long-lived assets such as land, buildings, or equipment are reported as unrestricted support, and are excluded from the excess of revenues and gains 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

**Temporarily and Permanently Restricted Net Assets**

Temporarily restricted net assets are those whose use by the Hospital has been limited by donors to a specific time period or purpose and appreciation on permanently restricted assets. Permanently restricted net assets have been restricted by donors to be maintained by the Hospital in perpetuity

The Board of Trustees has interpreted state law as requiring the preservation of the purchasing power (real value) of the permanent endowment funds unless explicit donor stipulations specify how net appreciation must be used. To meet that objective, the Hospital's endowment management policies require net appreciation to be temporarily restricted until appropriated by the Board in accordance with the Hospital's spending policy.

**Charity Care**

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

**HUGGINS HOSPITAL AND SUBSIDIARY**  
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**Deficiency of Revenues and Gains Over Expenses**

Changes in unrestricted net assets which are excluded from the deficiency of revenues and gains over expenses, consistent with industry practice, include unrealized gains and losses on investments, pension liability adjustments 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).

**Functional Expenses**

The Hospital provides health care services to residents within its geographic location. Expenses related to providing these services are as follows as of September 30:

	<u>2011</u>	<u>2010</u>
Acute and clinical care services	\$ 54,269,072	\$ 49,176,604
General and administrative	<u>7,829,125</u>	<u>6,100,607</u>
	\$ <u>62,098,197</u>	\$ <u>55,277,211</u>

Fundraising expenses were \$197,218 in 2011 and \$205,969 in 2010 and are reported in nonoperating gains (losses) in the consolidated statements of operations.

**Net Patient Service Revenue**

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.

**Employee Fringe Benefits**

The Hospital has an "earned time" plan under which 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 up to 560 hours. The Hospital accrues a liability for such paid leave as it is earned.

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**Income Taxes**

The Internal Revenue Service currently recognizes the Hospital as an exempt organization under Internal Revenue Code Section 501(c)(3). HSH is a for-profit corporation and, as such, is subject to federal and state taxes. Taxes were not material in 2011 or 2010.

**Subsequent Events**

For purposes of the preparation of these financial statements in conformity with GAAP, the Hospital has considered transactions or events occurring through December 7, 2011, which was the date the financial statements were issued

**Reclassification**

Certain amounts in the 2010 financial statements have been reclassified to conform to the current year's presentation.

**2. Pledges Receivable**

Pledges receivable represent donors' unconditional promises to give and consist of pledges to the capital campaign which was started during 2009. Pledges receivable are scheduled to be received over future periods in the following amounts:

Due within one year	\$ 463,055
Due between one and five years	<u>430,906</u>
	893,961
Less allowance for uncollectible pledges	(154,270)
Less discounts to net present value	<u>(10,895)</u>
	728,796
Less current portion	<u>(463,055)</u>
Pledges receivable, excluding current portion	\$ <u>265,741</u>

Pledges receivable are reflected at the present value of estimated future cash flows using a discount rate of 6.875%.

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**3. Investments**

**Assets Limited as to Use**

The composition of assets limited as to use as of September 30, 2011 and 2010, is set forth in the following table. Investments are stated at fair value.

	<u>2011</u>	<u>2010</u>
Internally designated for capital acquisitions		
Cash and cash equivalents	\$ 4,858,304	\$ 1,576,524
Government securities	<u>499,990</u>	<u>-</u>
	5,358,294	1,576,524
Trustee held funds, cash and cash equivalents		
Construction	-	5,469,115
Debt service funds	239,657	178,802
Debt service reserve fund	1,209,816	1,209,875
Escrow fund	<u>49,180</u>	<u>943,535</u>
	1,498,653	7,801,327
Total assets limited as to use	6,856,947	9,377,851
Less long-term assets limited as to use	<u>6,617,290</u>	<u>6,485,210</u>
Assets limited as to use - current portion	\$ <u>239,657</u>	\$ <u>2,892,641</u>

**Other Investments**

Other investments stated at fair value as of September 30 include.

	<u>2011</u>	<u>2010</u>
Cash and cash equivalents	\$ -	\$ 574,697
Mutual funds	-	1,120,108
Equity securities	7,139,203	5,670,941
Government securities	4,452,596	2,593,632
Corporate notes and bonds	2,482,908	2,316,050
Other investments	<u>107,325</u>	<u>107,325</u>
	14,182,032	12,382,753
Less long-term investments	<u>14,182,032</u>	<u>11,808,056</u>
Short-term investments	\$ <u>-</u>	\$ <u>574,697</u>

# HUGGINS HOSPITAL AND SUBSIDIARY

## Notes to Consolidated Financial Statements

September 30, 2011 and 2010

Investment income and gains for assets limited as to use, cash equivalents, and other investments are comprised of the following for the years ended September 30:

	<u>2011</u>	<u>2010</u>
Income		
Investment income	\$ 497,345	\$ 397,025
Net realized gains on sales of securities	<u>200,272</u>	<u>1,424,352</u>
	<u>\$ 697,617</u>	<u>\$ 1,821,377</u>
Investment income is reported as follows:		
Nonoperating investment income	\$ (1,251)	\$ 763,600
Investment income allotted for operations	471,744	491,054
Included in other operating income	3,815	5,098
Temporarily restricted investment income	41,984	25,049
Temporarily restricted realized gains	<u>181,325</u>	<u>536,576</u>
	<u>\$ 697,617</u>	<u>\$ 1,821,377</u>
Other changes in net assets		
Unrealized gains (losses), net of realized gains and losses		
- unrestricted	\$ (27,780)	\$ (673,931)
- temporarily restricted	<u>(531,155)</u>	<u>(184,652)</u>
	<u>\$ (558,935)</u>	<u>\$ (858,583)</u>

#### 4. Endowment

The Hospital's endowment primarily consists of donor-restricted endowment funds. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

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

# HUGGINS HOSPITAL AND SUBSIDIARY

## Notes to Consolidated Financial Statements

September 30, 2011 and 2010

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

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ 6,443,313	\$ 3,474,936	\$ 9,918,249
Investment income, net of fees	41,957	-	41,957
Realized gains on investments	181,325	-	181,325
Unrealized losses on investments	<u>(531,155)</u>	-	<u>(531,155)</u>
Total investment loss	(307,873)	-	(307,873)
Contributions	-	9,152	9,152
Spending policy allotment	<u>(118,858)</u>	-	<u>(118,858)</u>
Endowment net assets, end of year	<u>\$ 6,016,582</u>	<u>\$ 3,484,088</u>	<u>\$ 9,500,670</u>

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

	Temporarily Restricted	Permanently Restricted	Total
Endowment assets, beginning of year	\$ 6,335,368	\$ 3,469,811	\$ 9,805,179
Investment income, net of fees	24,981	-	24,981
Realized gains on investments	536,576	-	536,576
Unrealized losses on investments	<u>(184,652)</u>	-	<u>(184,652)</u>
Total investment loss	376,905	-	376,905
Contributions	-	5,125	5,125
Spending policy allotment	<u>(268,960)</u>	-	<u>(268,960)</u>
Endowment assets, end of year	<u>\$ 6,443,313</u>	<u>\$ 3,474,936</u>	<u>\$ 9,918,249</u>

**HUGGINS HOSPITAL AND SUBSIDIARY**  
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**Strategies Employed for Achieving Investment Objectives**

The Hospital's investment strategy is for long-term growth and tolerance for a fair amount of volatility to achieve this growth. The investment time horizon is ten years or more. The overall objective is for balanced return, with an allocation to equities of up to 85% of the portfolio with the remaining to be invested in fixed income securities. Investment advisors are prohibited from purchasing hedge fund and private equity investments.

**Spending Policy**

Effective October 1, 2009 each year a calculation will be made to determine the maximum amount of money that can be withdrawn from the long-term portfolio to be used for each donor restricted and board-designated purpose. The annual amount available for spending will not exceed 5% of the fair market value calculated on the basis of market values determined at least quarterly and averaged over a period of not less than three years immediately preceding the year in which the appropriation for the expenditure is made. The amount distributed under the spending policy was \$471,744 and \$491,054 for the year ending September 30, 2011 and 2010, respectively. Investment income, within the spending policy guidelines, is reported in unrestricted revenue and gains in the accompanying financial statements.

**5. Fair Value Measurements**

GAAP establish a fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs classified within Levels 1 and 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy):

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

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

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

**HUGGINS HOSPITAL AND SUBSIDIARY**  
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Assets and liabilities measured at fair value on a recurring basis are summarized below.

	Fair Value Measurements at September 30, 2011			
	Total	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Assets:</b>				
Cash and cash equivalents	\$ 6,356,957	\$ 6,356,957	\$ -	\$ -
U S Treasury obligations and government securities	4,952,586	4,952,586	-	-
Corporate bonds	2,482,908	-	2,482,908	-
Equity securities				
Consumer	1,454,489	1,454,489	-	-
Energy and utilities	1,177,684	1,177,684	-	-
Financials	958,778	958,778	-	-
Healthcare	899,573	899,573	-	-
Industrials	864,401	864,401	-	-
Information technology	964,973	964,973	-	-
Other	819,305	819,305	-	-
Total equity securities	7,139,203	7,139,203	-	-
Other investments	107,325	-	-	107,325
Total assets	\$ <u>21,038,979</u>	\$ <u>18,448,746</u>	\$ <u>2,482,908</u>	\$ <u>107,325</u>
<b>Liabilities:</b>				
Interest rate swap	\$ 3,162,858	\$ -	\$ 3,162,858	\$ -
Total liabilities	\$ <u>3,162,858</u>	\$ <u>-</u>	\$ <u>3,162,858</u>	\$ <u>-</u>
<b>Investments - held by defined benefit pension plan (Note 13).</b>				
Cash and cash equivalents	\$ 215,098	\$ 215,098	\$ -	\$ -
Fixed income	3,721,342	3,408,972	312,370	-
Equity securities	4,560,108	4,560,108	-	-
Total	\$ <u>8,496,548</u>	\$ <u>8,184,178</u>	\$ <u>312,370</u>	\$ <u>-</u>



**HUGGINS HOSPITAL AND SUBSIDIARY**  
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	<u>Fair Value Measurements at September 30, 2010</u>			
	<u>Total</u>	<u>Quoted Prices In Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
<b>Assets:</b>				
Cash and cash equivalents	9,952,548	9,952,548	-	-
U.S. Treasury obligations and government securities	2,593,632	2,593,632	-	-
Corporate bonds	2,316,050	-	2,316,050	-
Equity securities				
Consumer	1,137,541	1,137,541	-	-
Energy and utilities	1,162,963	1,162,963	-	-
Financials	664,402	664,402	-	-
Healthcare	622,699	622,699	-	-
Information technology	800,935	800,935	-	-
Other	<u>1,282,401</u>	<u>1,282,401</u>	<u>-</u>	<u>-</u>
Total equity securities	5,670,941	5,670,941	-	-
Mutual fund index funds	1,120,108	1,120,108	-	-
Other investments	<u>107,325</u>	<u>-</u>	<u>-</u>	<u>107,325</u>
Total assets	<u>\$ 21,760,604</u>	<u>\$ 19,337,229</u>	<u>\$ 2,316,050</u>	<u>\$ 107,325</u>
<b>Liabilities:</b>				
Interest rate swap	<u>\$ 2,422,323</u>	<u>\$ -</u>	<u>\$ 2,422,323</u>	<u>\$ -</u>
Total liabilities	<u>\$ 2,422,323</u>	<u>\$ -</u>	<u>\$ 2,422,323</u>	<u>\$ -</u>
<b>Investments - held by defined benefit pension plan (Note 13)</b>				
Cash and cash equivalents	\$ 210,827	\$ 210,827	\$ -	\$ -
Fixed income	2,457,742	1,209,220	1,248,522	-
Equity securities	4,416,359	4,416,359	-	-
Mutual funds - growth funds	<u>834,653</u>	<u>834,653</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 7,919,581</u>	<u>\$ 6,671,059</u>	<u>\$ 1,248,522</u>	<u>\$ -</u>

**HUGGINS HOSPITAL AND SUBSIDIARY**  
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There were no changes to investments in which unobservable inputs (Level 3) were used in determining fair value.

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

The Organization's financial instruments consist of cash and cash equivalents, marketable securities, trade accounts receivable and payable, life insurance policies, interest rate swaps, estimated third-party payor settlements, and long-term debt. The carrying values of all financial instruments approximate their fair values.

**6. 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, as well as the estimated cost of those services and supplies and equivalent service statistics. The following information measures the level of charity care provided during the years ended September 30:

	<u><b>2011</b></u>	<u><b>2010</b></u>
Charges forgone, based on established rates	\$ <u><b>3,633,401</b></u>	\$ <u><b>3,404,343</b></u>
Estimated costs and expenses incurred to provide charity care	\$ <u><b>2,233,000</b></u>	\$ <u><b>1,918,000</b></u>
Equivalent percentage of charity care charges to all Hospital patient charges	<u><b>3.93 %</b></u>	<u><b>3.79 %</b></u>

Cost of providing charity care services have been estimated based on an overall financial statement ratio of costs to charges applied to charges for the services.

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**7. Property and Equipment**

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

	<u>2011</u>	<u>2010</u>
Land	\$ 1,828,321	\$ 1,828,321
Land improvements	6,346,321	6,232,559
Buildings	54,738,432	50,278,418
Building services equipment	11,332,963	10,091,565
Major moveable equipment	16,618,758	17,326,124
Construction in progress	<u>-</u>	<u>2,948,851</u>
	90,864,795	88,705,838
Less accumulated depreciation	<u>26,845,169</u>	<u>23,708,668</u>
	<u>\$ 64,019,626</u>	<u>\$ 64,997,170</u>

Construction in progress costs at September 30, 2010 related to ground work, a walkway and renovations to the main entrance and were completed in December of 2010.

**8. Net Patient Service Revenue**

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

**Medicare**

Effective June 1, 2005, the Hospital was granted Critical Access Hospital (CAH) status. With CAH designation, the Hospital is reimbursed at 101% of allowable costs for its inpatient and outpatient services provided to Medicare patients. The Hospital is reimbursed at tentative rates with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare fiscal intermediary. The Hospital's Medicare cost reports have been audited by the Medicare fiscal intermediary through September 30, 2008.

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**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 cost reimbursement 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 September 30, 2008.

Revenues from the Medicare and Medicaid programs accounted for approximately 52% and 6%, respectively, of the Hospital's patient revenue for the year ended September 30, 2011, and approximately 52% and 7%, respectively, for the year ended September 30, 2010. Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. The 2011 and 2010 net patient service revenue increased approximately \$182,000 and \$1,129,500, respectively, due to prior-year retroactive adjustments in excess of amounts previously estimated.

**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.

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

	<u>2011</u>	<u>2010</u>
Patient services		
Inpatient	\$ 21,876,845	\$ 22,593,375
Outpatient	<u>70,474,253</u>	<u>67,349,516</u>
	92,351,098	89,942,891
Less Medicare/Medicaid allowances	20,543,338	21,289,508
Less other allowances	<u>16,872,707</u>	<u>17,890,662</u>
Net patient service revenue	\$ <u>54,935,053</u>	\$ <u>50,762,721</u>

**HUGGINS HOSPITAL AND SUBSIDIARY**  
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**9. Long-Term Debt**

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

	<u>2011</u>	<u>2010</u>
6.82% note payable to TD Banknorth with monthly payments of \$3,698 through 2027; collateralized by real estate	\$ 425,568	\$ 442,533
Business Finance Authority of the State of New Hampshire (Huggins Hospital Issue) Series 2009 6 875% fixed rate demand bonds payable in annual installments ranging from \$180,000 in 2013 to \$1,165,000 in 2039; secured by gross revenues and substantially all assets of the Hospital.	15,000,000	15,000,000
Business Finance Authority of the State of New Hampshire (BFA) (Huggins Hospital Issue) Series 2007 variable rate demand bonds payable in annual installments ranging from \$110,000 in 2012 to \$2,855,000 in 2043; secured by a letter of credit which is collateralized by substantially all Hospital assets.	10,000,000	10,000,000
10.54% capital lease with vendor, monthly payments of \$8,974, including interest, through 2013; collateralized by leased equipment.	235,424	328,624
6.2% capital lease with vendor, monthly payments of \$4,215, including interest, through 2016; collateralized by leased equipment.	<u>207,544</u>	<u>~</u>
	25,868,536	25,771,157
Less current portion	<u>262,146</u>	<u>106,432</u>
Long-term debt, excluding current portion	\$ <u>25,606,390</u>	\$ <u>25,664,725</u>

Principal repayments for the next five years are as follows:

2011	\$ 262,146
2012	455,926
2013	408,037
2014	405,392
2015	411,970
Thereafter	<u>23,925,065</u>
	\$ <u>25,868,536</u>

**HUGGINS HOSPITAL AND SUBSIDIARY**  
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In October 2009, the Hospital issued \$15,000,000, 6.875% fixed rate 30-year bonds (2009 Series) with the BFA to fund the remaining portion of the new hospital construction project. The interest on the bonds is to be paid semi-annually on April 1 and October 1. The net proceeds of \$13,082,818 were deposited with a trustee and have been used by the Hospital during construction.

In November 2007, the Hospital issued \$10,000,000 of variable rate demand bonds (Series 2007) to finance the construction project. The proceeds were held by a custodian until used for their intended purpose. The interest rate is determined daily by a remarketing agent based on the current market value of the bonds up to a maximum rate of 10%. The interest rate on the bonds at September 30, 2011 was 18%. The bonds can be converted to a fixed rate with 45 days notice provided to the trustee, the tender agent, and the remarketing agent in conjunction with an opinion of bond counsel.

Interest expense on long-term debt was \$1,517,243 and \$637,463 for the years ending September 30, 2011 and 2010, respectively. Interest, amortization expense, letter of credit fees and swap settlements totaling \$898,990, net of interest income on the bond proceeds of \$1,688 were capitalized during 2010.

**Interest Rate Swap**

In connection with the issuance of the 2007 bonds, the Hospital entered into an interest rate swap agreement. The swap agreement's notional amount was \$10,000,000 at September 30, 2011 and 2010. The swap terminates on October 1, 2042. The Hospital pays a fixed rate of 3.6175% and receives a variable rate of 68% USD-LIBOR-BBA. The Hospital records the interest rate swap at fair value, and has recorded a liability of \$3,162,858 and \$2,422,323 as of September 30, 2011 and 2010, respectively.

**Letter of Credit**

As part of the bond covenants, the Hospital is required to maintain a letter of credit. The fee for the letter of credit can vary from .50% to .65% depending on certain financial ratios for the preceding year. Fees related to the line of credit approximated \$65,000 for 2011 and 2010. The letter of credit is in the amount of \$10,104,110 with TD Bank, N.A. and expires on September 30, 2017. At September 30, 2011, the Hospital was in compliance with all of the financial covenants related to the letter of credit.

**10. Related Parties**

The Hospital owns the land on which Sugar Hill Retirement Community (SHRC) is built and leases it to SHRC. The rental fee was \$906 a month for 2011 and 2010. SHRC paid Huggins Senior Housing management fees of \$62,469 and \$62,166 for the years ended 2011 and 2010, respectively.

**HUGGINS HOSPITAL AND SUBSIDIARY**  
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**11. Commitments and Contingencies**

Medical Malpractice Insurance: During the year, the Hospital was covered for malpractice claims under a claims-made policy. A claims-made policy provides specified coverage for claims reported during the policy term. The Hospital intends to renew coverage on a claims-made basis and anticipates that such coverage will be available.

Litigation The Hospital is involved in litigation and regulatory investigations arising in the course of business. After consultation with legal counsel, management estimates that these matters will be resolved without material adverse effect on the Hospital's future financial position or results of operations.

Operating Leases: The Hospital leases various equipment and facilities under operating leases expiring at various dates through September 2013. Total rental expense in 2011 and 2010 for all operating leases was approximately \$279,000 and \$197,000, respectively.

The following is a schedule by year of future minimum lease payments under operating leases as of September 30, 2011, that have initial or remaining lease terms in excess of one year.

<u>Year Ending</u> <u>September 30,</u>	<u>Amount</u>
2012	\$ 258,000
2013	\$ 105,000

**12. Temporarily and Permanently Restricted Net Assets**

Temporarily restricted net assets are available for the following purposes or periods

	<u>2011</u>	<u>2010</u>
Health care services		
Capital acquisitions	\$ 78,194	\$ 90,964
Adult daycare	4,479	11,542
Health education	43,809	52,801
Indigent care	462,263	425,115
Building pledges	728,796	1,241,033
Net appreciation of permanently restricted net assets	<u>5,585,646</u>	<u>6,054,334</u>
	<u>\$ 6,903,187</u>	<u>\$ 7,875,789</u>

**HUGGINS HOSPITAL AND SUBSIDIARY**  
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Permanently restricted net assets are restricted to:

Investments to be held in perpetuity, the income from which is expendable to support health care services (reported as operating when released)	<b>\$ 3,072,794</b>	\$ 3,063,642
Indigent care	<u><b>411,294</b></u>	<u>411,294</u>
	<b><u>\$ 3,484,088</u></b>	<b><u>\$ 3,474,936</u></b>

**13. Pension Plan**

In June 2011, the Board of Trustees voted to curtail benefits under the defined benefit plan effective October 1, 2011. All benefits for active employees became fully vested at that time. The projected benefit obligation at September 30, 2011 has been adjusted to reflect a curtailment gain of \$1,964,872, which is primarily due to the elimination of deferred losses. There are no immediate plans to settle the benefit obligation.

Beginning July 2005, the Hospital sponsored a contributory defined contribution plan available to substantially all employees. The Hospital's policy under the defined contribution plan is to fund its portion of amounts due under the plan on a current basis and to recognize expense as incurred. Expense related to this plan for the years ended September 30, 2011 and 2010 approximated \$332,000 and \$305,000, respectively.

The following tables set forth the funded status of the defined benefit plan and amounts recognized in the Hospital's financial statements as of and for the years ended September 30:

	<u><b>2011</b></u>	<u><b>2010</b></u>
Change in benefit obligation.		
Benefit obligation, beginning of year	<b>\$ 14,058,025</b>	\$ 13,223,676
Service cost	<b>501,030</b>	557,612
Interest cost	<b>748,041</b>	739,971
Benefits paid	<b>(675,064)</b>	(641,815)
Curtailment	<b>(1,964,872)</b>	-
Actuarial loss	<u><b>749,445</b></u>	<u>178,581</u>
Benefit obligation, end of year	<b><u>\$ 13,416,605</u></b>	<b><u>\$ 14,058,025</u></b>
Accumulated benefit obligation	<b>\$ 13,416,605</b>	\$ 11,795,321
Effect of future compensation increases	<u>-</u>	<u>2,262,704</u>
Projected benefit obligation	<b><u>\$ 13,416,605</u></b>	<b><u>\$ 14,058,025</u></b>



**HUGGINS HOSPITAL AND SUBSIDIARY**  
**Notes to Consolidated Financial Statements**  
**September 30, 2011 and 2010**

	<u><b>2011</b></u>	<u><b>2010</b></u>
Change in plan assets		
Fair value of plan assets, beginning of year	\$ 7,919,581	\$ 7,174,593
Actual return on plan asset	(181,058)	574,171
Employer contributions	1,433,089	812,632
Benefits paid	<u>(675,064)</u>	<u>(641,815)</u>
Fair value of plan assets, end of year	<u><b>\$ 8,496,548</b></u>	<u><b>\$ 7,919,581</b></u>
Funded status - accrued liability	<u><b>\$ (4,920,057)</b></u>	<u><b>\$ (6,138,444)</b></u>
Amounts recognized in other changes in unrestricted net assets:		
Prior service costs	\$ -	\$ (182,608)
Actuarial loss	<u><b>4,498,398</b></u>	<u><b>5,489,699</b></u>
Total	<u><b>\$ 4,498,398</b></u>	<u><b>\$ 5,307,091</b></u>

The incremental decrease in the amount recognized in other changes in unrestricted net assets was \$808,693 for the year ended September 30, 2011, and has been reflected outside the deficiency of revenues and gains over expenses in the statement of operations.

For the years ended September 30, net pension cost for the Plan included the following components:

	<u><b>2011</b></u>	<u><b>2010</b></u>
Service cost for benefits earned during the year	\$ 501,030	\$ 557,612
Interest cost on projected benefit obligation	748,041	739,971
Expected return on Plan assets	(603,791)	(594,739)
Asset loss	784,849	20,568
Net amortization and deferral	<u>(406,734)</u>	<u>357,159</u>
Net periodic pension benefit cost	<u><b>\$ 1,023,395</b></u>	<u><b>\$ 1,080,571</b></u>

The prior service costs and net loss for the Plan that are expected to be amortized from unrestricted net assets into net periodic pension benefit cost over the next fiscal year are \$330,895.

**HUGGINS HOSPITAL AND SUBSIDIARY**  
**Notes to Consolidated Financial Statements**  
**September 30, 2011 and 2010**

**Assumptions**

The weighted average assumptions used in the measurement of the Hospital's benefit obligation at September 30 are shown in the following table:

	<u><b>2011</b></u>	<u><b>2010</b></u>
Discount rate	<b>5.00 %</b>	5.50 %
Rate of compensation increase	<b>N/A</b>	3.00 %

The weighted average assumptions used in the measurement of the Hospital's net periodic pension cost for the years ended September 30 are shown in the following table.

	<u><b>2011</b></u>	<u><b>2010</b></u>
Discount rate	<b>5.50 %</b>	5.75 %
Expected long-term return on plan assets	<b>7.50 %</b>	7.50 %
Rate of compensation increase	<b>N/A</b>	3.00 %

The Hospital considers various factors in estimating the expected long-term rate of return on plan assets. Among the factors considered are the historical long-term returns on plan assets, the current and expected allocation of plan assets, input from actuaries and investment consultants, and long-term inflation assumptions. The expected allocation of plan assets is based on a diversified portfolio consisting of domestic and international equity and fixed income securities.

**Plan Assets**

The Hospital's investment policy for its pension plan is to balance risk and return using a diversified portfolio consisting primarily of high quality equity and fixed income securities. To accomplish this goal, the plan's assets are actively managed by outside investment managers with the objective of optimizing long-term return while maintaining a high standard of portfolio quality and proper diversification. The Hospital monitors the maturities of fixed income securities so that there is sufficient liquidity to meet current benefit payment obligations. The Hospital's Investment Committee provides oversight of the plan investments and the performance of the investment managers.

**HUGGINS HOSPITAL AND SUBSIDIARY**  
**Notes to Consolidated Financial Statements**  
**September 30, 2011 and 2010**

**Cash Flows**

The Hospital funds the Hospital's pension plan and no contributions are made by employees. The Hospital funds the plan annually by making a contribution of at least the minimum amount required by applicable regulations and as recommended by the Hospital's actuary. However, the Hospital may also fund the plan in excess of the minimum required amount. The Hospital expects to contribute \$670,000 to the plan in fiscal year 2012.

Cash contributions in subsequent years will depend on a number of factors including performance of plan assets.

**Projected Benefit Payments**

<u>Year Ending</u>	<u>Expected Benefit Payments</u>
2012	\$ 217,000
2013	305,000
2014	332,000
2015	424,000
2016	551,000
2017-2021	3,816,000

**14. Concentrations of Credit Risk**

The Hospital is located in Wolfeboro, New Hampshire. The Hospital grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors was as follows as of September 30:

	<u>2011</u>	<u>2010</u>
Medicare	36 %	35 %
Medicaid	7	7
Anthem Blue Cross	8	6
Other third-party payors	15	18
Patients	<u>34</u>	<u>34</u>
	<u>100 %</u>	<u>100 %</u>

## **ADDITIONAL INFORMATION**

## HUGGINS HOSPITAL AND SUBSIDIARY

## Other Operating Revenues

Years Ended September 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Investment income	\$ 3,815	\$ 5,098
Assisted living revenue	789,513	926,430
Space and equipment rentals	129,469	159,397
Miscellaneous	1,175,870	819,103
Non-patient pharmacy and supplies	22,712	22,432
Employee meals	229,054	169,906
Coffee and gift shop revenue	11,317	60,411
Huggins Senior Housing	172,341	97,951
Meals on Wheels	<u>26,818</u>	<u>17,728</u>
Total other operating revenues and other investment income	\$ <u>2,560,909</u>	\$ <u>2,278,456</u>

## HUGGINS HOSPITAL AND SUBSIDIARY

## Consolidating Balance Sheets

September 30, 2011

## ASSETS

	Huggins Hospital	Huggins Senior Housing	Total	Eliminations	Consolidated
<b>Current assets</b>					
Cash and cash equivalents	\$ 3,684,441	\$ 88,780	\$ 3,773,221	\$ -	\$ 3,773,221
Assets limited as to use - current portion	239,657	-	239,657	-	239,657
Accounts receivable from patients, net	6,350,408	-	6,350,408	-	6,350,408
Estimated third-party payor settlements	357,921	-	357,921	-	357,921
Pledges receivable	463,055	-	463,055	-	463,055
Other accounts/notes receivable	661,204	33,543	694,747	-	694,747
Other current assets	<u>595,582</u>	<u>4,924</u>	<u>600,506</u>	<u>-</u>	<u>600,506</u>
Total current assets	12,352,268	127,247	12,479,515	-	12,479,515
<b>Assets limited as to use, less current portion</b>	6,617,290	-	6,617,290	-	6,617,290
Pledges receivable, net	265,741	-	265,741	-	265,741
Property and equipment, net	63,748,345	271,281	64,019,626	-	64,019,626
Deferred financing costs	581,895	-	581,895	-	581,895
Long-term investments	14,182,032	-	14,182,032	-	14,182,032
Property held for sale, net	-	101,627	101,627	-	101,627
Cash surrender value of life insurance	1,293,569	-	1,293,569	-	1,293,569
Due from subsidiary	<u>1,069,302</u>	<u>-</u>	<u>1,069,302</u>	<u>(1,069,302)</u>	<u>-</u>
Total assets	<u>\$ 100,110,442</u>	<u>\$ 500,155</u>	<u>\$ 100,610,597</u>	<u>\$ (1,069,302)</u>	<u>\$ 99,541,295</u>

## LIABILITIES AND NET ASSETS (DEFICIT)

<b>Current liabilities</b>					
Accounts payable and other current liabilities	\$ 1,673,587	\$ 29,079	\$ 1,702,666	\$ -	\$ 1,702,666
Accrued salaries and related accounts	2,893,550	-	2,893,550	-	2,893,550
Current portion of long-term debt	262,146	-	262,146	-	262,146
Due to parent	<u>-</u>	<u>1,069,302</u>	<u>1,069,302</u>	<u>(1,069,302)</u>	<u>-</u>
Total current liabilities	4,829,283	1,098,381	5,927,664	(1,069,302)	4,858,362
Accrued pension cost	4,920,057	-	4,920,057	-	4,920,057
Interest rate swap	3,162,858	-	3,162,858	-	3,162,858
Long-term debt	<u>25,606,424</u>	<u>-</u>	<u>25,606,424</u>	<u>-</u>	<u>25,606,424</u>
Total liabilities	<u>38,518,622</u>	<u>1,098,381</u>	<u>39,617,003</u>	<u>(1,069,302)</u>	<u>38,547,701</u>
<b>Net assets (deficit)</b>					
Unrestricted	51,204,545	(598,226)	50,606,319	-	50,606,319
Temporarily restricted	6,903,187	-	6,903,187	-	6,903,187
Permanently restricted	<u>3,484,088</u>	<u>-</u>	<u>3,484,088</u>	<u>-</u>	<u>3,484,088</u>
Total net assets (deficit)	<u>61,591,820</u>	<u>(598,226)</u>	<u>60,993,594</u>	<u>-</u>	<u>60,993,594</u>
Total liabilities and net assets (deficit)	<u>\$ 100,110,442</u>	<u>\$ 500,155</u>	<u>\$ 100,610,597</u>	<u>\$ (1,069,302)</u>	<u>\$ 99,541,295</u>

## HUGGINS HOSPITAL AND SUBSIDIARY

## Consolidating Statements of Operations

Year Ended September 30, 2011

	Huggins Hospital	Huggins Senior Housing	Total	Eliminations	Consolidated
Unrestricted revenues and gains					
Net patient service revenue	\$ 54,935,053	\$ -	\$ 54,935,053	\$ -	\$ 54,935,053
Other operating revenues	2,388,568	172,341	2,560,909	-	2,560,909
Investment income allocated for operations	471,744	-	471,744	-	471,744
Net assets released from restrictions for operating purposes	<u>118,192</u>	<u>-</u>	<u>118,192</u>	<u>-</u>	<u>118,192</u>
Total revenues and gains	<u>57,913,557</u>	<u>172,341</u>	<u>58,085,898</u>	<u>-</u>	<u>58,085,898</u>
Expenses					
Salaries and wages	26,012,365	-	26,012,365	-	26,012,365
Supplies and other	24,529,150	60,936	24,590,086	-	24,590,086
Depreciation and amortization	4,664,647	3,025	4,667,672	-	4,667,672
Provision for bad debts	5,289,734	-	5,289,734	-	5,289,734
Interest	1,517,243	-	1,517,243	-	1,517,243
Loss on disposal of property and equipment	<u>21,097</u>	<u>-</u>	<u>21,097</u>	<u>-</u>	<u>21,097</u>
Total expenses	<u>62,034,236</u>	<u>63,961</u>	<u>62,098,197</u>	<u>-</u>	<u>62,098,197</u>
Operating (loss) income	(4,120,679)	108,380	(4,012,299)	-	(4,012,299)
Nonoperating gains (losses)					
Contributions	1,008,535	-	1,008,535	-	1,008,535
Development costs	(197,218)	-	(197,218)	-	(197,218)
Nonoperating investment loss	(1,251)	-	(1,251)	-	(1,251)
Change in value of interest rate swap	<u>(740,535)</u>	<u>-</u>	<u>(740,535)</u>	<u>-</u>	<u>(740,535)</u>
Nonoperating gains, net	<u>69,531</u>	<u>-</u>	<u>69,531</u>	<u>-</u>	<u>69,531</u>
(Deficiency) excess of revenues and gains over expenses	(4,051,148)	108,380	(3,942,768)	-	(3,942,768)
Net assets released from restrictions for capital acquisitions	779,640	-	779,640	-	779,640
Net unrealized losses on investments	(27,780)	-	(27,780)	-	(27,780)
Pension liability adjustment	<u>808,693</u>	<u>-</u>	<u>808,693</u>	<u>-</u>	<u>808,693</u>
(Decrease) increase in unrestricted net assets	<u>\$ (2,490,595)</u>	<u>\$ 108,380</u>	<u>\$ (2,382,215)</u>	<u>\$ -</u>	<u>\$ (2,382,215)</u>

## HUGGINS HOSPITAL AND SUBSIDIARY

## Consolidating Statements of Cash Flows

Year Ended September 30, 2011

	Huggins Hospital	Huggins Senior Housing	Total
Cash flows from operating activities			
Change in net assets	\$ (3,454,045)	\$ 108,380	\$ (3,345,665)
Adjustments to reconcile change in net assets to net cash provided by operating activities			
Depreciation and amortization	4,664,647	3,025	4,667,672
Provision for bad debts	5,289,734	-	5,289,734
Loss on disposal of property and equipment	21,097	-	21,097
Net realized and unrealized losses on investments	358,663	-	358,663
Pension liability adjustment	(808,693)	-	(808,693)
Unrealized loss on interest rate swap	740,535	-	740,535
Restricted contributions	(361,086)	-	(361,086)
(Increase) decrease in			
Accounts receivable from patients	(5,335,186)	-	(5,335,186)
Estimated third-party payor settlements	531,423	-	531,423
Other current assets	(7,946)	275	(7,671)
Other accounts/notes receivable	(328,790)	1,952	(326,838)
Increase (decrease) in			
Accounts payable and other current liabilities	(22,589)	19,645	(2,944)
Accrued salaries and related accounts	277,544	-	277,544
Due from (to) subsidiary	128,114	(128,114)	-
Accrued pension cost	(409,694)	-	(409,694)
Net cash provided by operating activities	<u>1,283,728</u>	<u>5,163</u>	<u>1,288,891</u>
Cash flows from investing activities			
Purchase of property and equipment	(6,188,234)	-	(6,188,234)
Purchase of investments	(14,296,734)	-	(14,296,734)
Proceeds from sale of investments	<u>14,659,675</u>	<u>-</u>	<u>14,659,675</u>
Net cash used by investing activities	<u>(5,825,293)</u>	<u>-</u>	<u>(5,825,293)</u>
Cash flows from financing activities			
Payments on long-term debt	(119,462)	-	(119,462)
Proceeds from restricted contributions	<u>873,323</u>	<u>-</u>	<u>873,323</u>
Net cash provided by financing activities	<u>753,861</u>	<u>-</u>	<u>753,861</u>
Net (decrease) increase in cash and cash equivalents	(3,787,704)	5,163	(3,782,541)
Cash and cash equivalents, beginning of year	<u>7,472,145</u>	<u>83,617</u>	<u>7,555,762</u>
Cash and cash equivalents, end of year	<u>\$ 3,684,441</u>	<u>\$ 88,780</u>	<u>\$ 3,773,221</u>



## HUGGINS HOSPITAL

## Schedule 5

## Net Patient Service Revenue (Hospital Only)

Years Ended September 30, 2011 and 2010

	Inpatient		Outpatient		Total	
	2011	2010	2011	2010	2011	2010
Room and board						
Medical, surgical, and obstetrics	\$ 3,758,389	\$ 3,608,950	\$ -	\$ -	\$ 3,758,389	\$ 3,608,950
Intensive care unit	1,127,174	1,219,310	-	-	1,127,174	1,219,310
Medium care facility	536,900	29,920	-	-	536,900	29,920
Extended care facility	2,491,733	2,559,717	-	-	2,491,733	2,559,717
Total room and board	7,914,196	7,417,897	-	-	7,914,196	7,417,897
Patient services						
Operating room	3,072,438	3,227,171	4,955,869	4,948,455	8,028,307	8,175,626
Recovery room	49	1,088	316,428	193,536	316,477	194,624
Central services and supply	3,005	10,254	26,596	33,182	29,601	43,436
Emergency room	9,792	59,169	10,452,021	9,649,402	10,461,813	9,708,571
Observation	-	-	1,081,680	962,336	1,081,680	962,336
Anesthesiology	485,529	564,600	1,278,772	1,243,207	1,764,301	1,807,807
Inpatient procedures	210,437	57,274	-	-	210,437	57,274
Total patient services	3,781,250	3,919,556	18,111,366	17,030,118	21,892,616	20,949,674
Other professional services						
Laboratory	1,924,079	2,222,407	14,671,930	14,473,629	16,596,009	16,696,036
Electrocardiology	149,054	186,738	925,830	864,884	1,074,884	1,051,622
Medical imaging	1,348,453	1,727,217	16,088,725	15,339,924	17,437,178	17,067,141
Pharmacy	2,795,346	2,942,038	3,354,272	2,857,772	6,149,618	5,799,810
Respiratory therapy	1,514,860	1,582,640	340,665	351,255	1,855,525	1,933,895
Physical therapy	1,110,756	1,416,269	3,611,762	3,060,965	4,722,518	4,477,234
Occupational therapy	1,217,659	1,039,476	277,490	291,977	1,495,149	1,331,453
Speech therapy	115,084	137,974	245,945	213,482	361,029	351,456
Cardiac rehabilitation	6,108	1,163	508,302	544,041	514,410	545,204
Total other professional services	10,181,399	11,255,922	40,024,921	37,997,929	50,206,320	49,253,851
Physician practices	-	-	12,337,966	12,321,469	12,337,966	12,321,469
Total revenues from services to patients	\$ 21,876,845	\$ 22,593,375	\$ 70,474,253	\$ 67,349,516	92,351,098	89,942,891
Deductions from revenues						
Contractual allowances						
Medicare					19,351,779	20,352,343
Medicaid					1,191,559	937,165
Anthem Blue Cross					3,320,376	3,060,007
					23,863,714	24,349,515
Free care and charity allowances					3,633,401	3,404,343
Physician practice contractual allowances					3,772,676	3,542,008
Other contractual allowances					6,146,254	7,884,304
Total deductions from revenues					37,416,045	39,180,170
Net patient service revenue					\$ 54,935,053	\$ 50,762,721

# HUGGINS HOSPITAL

## Schedule 6

### Expenses (Hospital Only)

Years Ended September 30, 2011 and 2010

	Salaries and Wages		Supplies, Expenses, and Fees		Depreciation and Amortization		Total	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Clinical services								
Administrative office	\$ 600,521	\$ 641,438	\$ 9,004	\$ 14,066	\$ 24,218	\$ 18,254	\$ 633,743	\$ 673,758
Adult day care	80,608	78,544	13,858	17,629	4,184	1,898	98,650	98,071
Anesthesiology	111,818	58,556	469,844	515,250	15,455	9,203	597,117	583,009
Assisted living	403,100	400,404	141,058	162,370	86,280	88,973	630,438	651,747
Bio medicine	-	34,589	153	3,551	-	-	153	38,140
Cardiac rehabilitation	131,103	130,043	31,829	39,090	13,695	15,513	176,627	184,646
Central services and supply	81,926	80,495	45,589	57,090	96,626	49,328	224,141	186,913
Clinical laboratory	951,385	870,780	1,295,228	1,313,670	123,310	57,110	2,369,923	2,241,560
Education	-	-	5,136	5,351	14,544	6,187	19,680	11,538
Emergency room	1,626,363	1,373,932	1,660,688	1,668,777	276,885	120,750	3,563,936	3,163,459
Extended care facility	1,476,506	1,396,286	481,749	312,277	51,962	66,230	2,010,217	1,774,793
Infection control	55,462	68,475	1,032	1,803	815	241	57,309	70,519
Intensive care unit	710,523	736,734	29,071	33,143	142,555	70,809	882,149	840,686
Medical, surgical, and obstetrics	1,974,553	1,692,266	233,583	125,201	738,628	274,975	2,946,764	2,092,442
Medical building	12,724	12,560	-	-	-	-	12,724	12,560
Occupational health	43,193	32,871	2,099	1,290	1,609	345	46,901	34,506
Occupational therapy	378,782	310,677	26,693	3,925	558	690	406,033	315,292
Operating room	600,931	584,256	999,191	861,515	475,617	285,182	2,075,739	1,730,953
Pharmacy	568,047	537,637	1,316,787	1,219,724	43,372	24,010	1,928,206	1,781,371
Physical therapy	1,204,333	1,208,201	168,592	116,816	97,293	97,885	1,470,218	1,422,902
Physician practices	7,601,844	7,406,383	1,659,036	1,706,610	247,048	259,596	9,507,928	9,372,589
Quality assurance	83,017	94,255	24,958	33,784	4,125	1,748	112,100	129,787
Recovery room	473,109	441,429	31,858	35,671	18,700	31,327	523,667	508,427
Respiratory therapy	377,109	355,656	80,223	78,281	47,821	28,712	505,153	462,649
School nurses	190,931	206,151	-	-	-	-	190,931	206,151
Social services	119,867	103,162	540	1,406	4,003	2,000	124,410	106,568
Speech therapy	-	-	117,465	115,156	519	1,194	117,984	116,350
	<u>19,857,755</u>	<u>18,855,780</u>	<u>8,845,264</u>	<u>8,443,446</u>	<u>2,529,822</u>	<u>1,512,160</u>	<u>31,232,841</u>	<u>28,811,386</u>

HUGGINS HOSPITAL

Schedule 6 (Concluded)

Expenses (Hospital Only)

Years Ended September 30, 2011 and 2010

	<u>Salaries and Wages</u>		<u>Supplies, Expenses, and Fees</u>		<u>Depreciation and Amortization</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Operations								
Coffee and gift shop			\$ 11,236	\$ 5,190	\$ 7,948	\$ 4,188	\$ 19,184	\$ 9,378
Marketing	111,268	174,384	110,312	85,248	17,898	9,838	239,478	269,470
Dietary services	643,977	596,979	346,799	310,417	218,673	88,212	1,209,449	995,608
Housekeeping	323,705	391,351	57,831	56,455	21,324	8,638	402,860	456,444
Laundry and linen	22,752	54,768	210,048	87,824	5,070	2,943	237,870	145,535
Medical imaging	989,568	939,435	1,236,463	1,088,459	576,221	402,236	2,802,252	2,430,130
Medical buildings	-	-	57,543	69,687	138,205	139,472	195,748	209,159
Operations	214,604	176,635	46,675	35,985	20,071	8,332	281,350	220,952
Plant	541,089	446,505	2,180,067	1,776,995	310,494	135,060	3,031,650	2,358,560
Purchasing	231,764	214,835	73,080	9,063	103,026	41,933	407,870	265,831
Volunteer program	45,945	44,622	7,171	4,849	1,183	1,087	54,299	50,558
	<u>3,124,672</u>	<u>3,039,514</u>	<u>4,337,225</u>	<u>3,530,172</u>	<u>1,420,113</u>	<u>841,939</u>	<u>8,882,010</u>	<u>7,411,625</u>
Financial services								
Administrative office	2,506,346	2,222,663	2,315,532	1,475,565	643,172	337,102	5,465,050	4,035,330
Employee retirement	-	-	1,439,292	1,454,984	-	-	1,439,292	1,454,984
General insurance	-	-	1,260,609	1,102,970	-	-	1,260,609	1,102,970
Group insurance	-	-	3,573,492	3,181,365	-	-	3,573,492	3,181,365
Health information	523,592	485,786	274,279	242,245	71,540	33,979	869,411	762,010
Telephone	-	-	170,094	126,288	-	-	170,094	126,288
Medicaid Enhancement Tax	-	-	2,313,363	2,405,736	-	-	2,313,363	2,405,736
	<u>3,029,938</u>	<u>2,708,449</u>	<u>11,346,661</u>	<u>9,989,153</u>	<u>714,712</u>	<u>371,081</u>	<u>15,091,311</u>	<u>13,068,683</u>
Provision for bad debts	-	-	5,289,734	4,804,973	-	-	5,289,734	4,804,973
Interest expense	-	-	1,517,243	637,463	-	-	1,517,243	637,463
Loss on disposal of property and equipment	-	-	21,097	469,072	-	-	21,097	469,072
Total expenses	<u>\$ 26,012,365</u>	<u>\$ 24,603,743</u>	<u>\$ 31,357,224</u>	<u>\$ 27,874,279</u>	<u>\$ 4,664,647</u>	<u>\$ 2,725,180</u>	<u>\$ 62,034,236</u>	<u>\$ 55,203,202</u>

# HUGGINS HOSPITAL

# Schedule 7

## Restricted Funds

Year Ended September 30, 2011

	Net Assets September 30, 2010	Contributions	Net Assets September 30, 2011	Temporarily Restricted September 30, 2010	Investment Income and Net Appreciation	Transfers to Other Funds	Temporarily Restricted September 30, 2011
Permanently restricted net assets							
Income restricted for free care							
Frank P. Blake	\$ 305	\$ -	\$ 305	\$ 1,645	\$ 59	\$ -	\$ 1,704
The Camp Fund	32,656	-	32,656	140,621	3,333	-	143,954
Abbie H. Chamberland	3,000	-	3,000	4,177	536	-	4,713
Charles W. Davis	4,520	-	4,520	3,080	795	-	3,875
J. McKenzie Haley	2,000	-	2,000	1,444	353	-	1,797
Carrie L. Knight	5,425	-	5,425	7,662	979	-	8,641
Frank W. Lowe	5,000	-	5,000	5,327	903	-	6,230
Albert N. Parlin	15,000	-	15,000	12,373	2,611	-	14,984
Susan A. Thompson Widden	5,000	-	5,000	5,505	887	-	6,392
Marie Robbins	29,500	-	29,500	6,082	2,116	-	8,198
W. Herbert Lamb	256,129	-	256,129	11,467	22,210	-	33,677
Income restricted for other purposes							
Eliza W. Hanson	14,832	-	14,832	39,418	3,277	-	42,695
Dr. Ralph Adams	12,927	-	12,927	11,977	783	-	12,760
Francis Sinclair	25,000	-	25,000	138,201	3,115	-	141,316
Total income restricted	411,294	-	411,294	388,979	41,957	-	430,936
Income unrestricted							
Lydia Jones Burbank	2,500	-	2,500	-	274	(274)	-
Lydia F. Chadwick	14,000	-	14,000	-	2,509	(2,509)	-
Greanleaf Clark	4,365	-	4,365	-	782	(782)	-
Fred and Bessie Clow	7,247	-	7,247	-	939	(939)	-
Martha Corkum	1,978	-	1,978	-	279	(279)	-
Edmond F. Dagnino	9,031	-	9,031	-	770	(770)	-
Dr. W. J. Paul Dye	7,210	-	7,210	-	942	(942)	-
George W. Elkins	9,690	-	9,690	-	1,167	(1,167)	-
Charlotte B. Hoagland	1,000	-	1,000	-	179	(179)	-
Theodore and Mable Lafayette	7,674	-	7,674	-	733	(733)	-
James H. Martin	10,000	-	10,000	-	1,792	(1,792)	-
James H. and Mary Martin	394,468	-	394,468	-	37,407	(37,407)	-
Jennie H. Sinclair	1,000	-	1,000	-	179	(179)	-
Fred A. Stackpole	5,000	-	5,000	-	476	(476)	-
Ada Smith Tibbets	181	-	181	-	20	(20)	-
Gladys White Long	84,500	-	84,500	-	7,553	(7,553)	-
Ralph and Edna Dube	186,150	-	186,150	-	16,640	(16,640)	-
Clark Robinson	60,205	9,152	69,357	-	-	-	-
Fred R. and Nellie F. Blake	65,559	-	65,559	-	11,489	(11,489)	-
Jennie H. Sinclair	1,181,616	-	1,181,616	-	144,724	(144,724)	-
Col. and Mrs. Hugh Wilkin	52,253	-	52,253	-	5,954	(5,954)	-
George W. Rockwell Foundation	958,015	-	958,015	-	76,698	(76,698)	-
Total income unrestricted	3,063,642	9,152	3,072,794	-	311,506	(311,506)	-
Temporarily restricted appreciation on permanently restricted net assets				6,054,334	(349,830)	(118,858)	5,585,646
Total endowments	\$ 3,474,936	\$ 9,152	\$ 3,484,088	\$ 6,443,313	\$ 3,633	\$ (430,364)	\$ 6,016,582



Additional Data

Software ID:  
Software Version:  
EIN: 02-0223332  
Name: Huggins 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			
David W Tower FACHE Past President	40 00	X		X				260,614	0	32,895
Shawn K Smith Past Chairman	1 00	X		X				0	0	0
Stephen Wainwright Chairman	1 00	X		X				0	0	0
Cecile M Chase Secretary	1 00	X		X				0	0	0
William M Marsh MD Treasurer	1 00	X		X				0	0	0
Timothy Sullivan Vice Chairman	1 00	X		X				0	0	0
David Booth Asst Treasurer	1 00	X		X				0	0	0
Gerard Bozuwa MD Trustee	1 00	X						0	0	0
Judith Cole APRN Trustee	30 00	X						54,855	0	19,038
James Cubeddu PA Trustee	40 00	X						97,304	0	9,066
Clifford F Downs Past Trustee	1 00	X						0	0	0
Gregory A Eldridge Trustee	1 00	X						0	0	0
Robert Fournier Past Trustee	1 00	X						0	0	0
Brad Hayes Trustee	1 00	X						0	0	0
Sandra McBeth Past Trustee	1 00	X						0	0	0
James Rines Trustee	1 00	X						0	0	0
George Walker Trustee	1 00	X						0	0	0
Reuben Wentworth Trustee	1 00	X						0	0	0
Vlasta Zdrnja MD Trustee	1 00	X						0	0	0
Timothy Pinard Trustee	40 00	X						196,891	0	22,664
John J Daigneault CPA CVA Trustee	1 00	X						0	0	0
Ernest G Enck Jr Past CFO	32 00			X				187,000	0	0
Leslie MacLeod President	40 00			X				0	0	0
Michael Connelly CFO	40 00			X				0	0	0
Thomas Barton Physician	30 00					X		303,700	0	27,504

**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			
Eric Lewis Physician	40 00					X		285,336	0	23,103
George W Costello Physician	30 00					X		341,998	0	22,664
Dennis Badman Physician	40 00					X		312,838	0	22,664
Gerald Godfrey Physician	40 00					X		272,875	0	7,754