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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No 1545-0047

2010

Open to Public Inspection

A For the 2010 calendar year, or tax year beginning 10-01-2010 and ending 09-30-2011

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

C Name of organization
UPPER CONNECTICUT VALLEY HOSPITAL

Doing Business As

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

City or town, state or country, and ZIP + 4
COLEBROOK, NH 03576

D Employer identification number
02-0276210

E Telephone number
(603) 237-4971

G Gross receipts $ 15,218,602

F Name and address of principal officer
WINSTON YOUNG
CORLISS LANE
COLEBROOK, NH 03576

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

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

H(c) Group exemption number ▶

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

J Website: ▶ WWW DARTMOUTH-HITCHCOCK ORG/UCVH

K Form of organization ☐ Corporation ☐ Trust ☑ Association ☐ Other ▶ | **L** Year of formation 1969 | **M** State of legal domicile NH

Part I Summary

1 Briefly describe the organization's mission or most significant activities
TO PROVIDE HEALTH CARE SERVICES

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

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	12
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	11
5	Total number of individuals employed in calendar year 2010 (Part V, line 2a)	**5**	178
6	Total number of volunteers (estimate if necessary)	**6**	10
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	0
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	0

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	289,409	94,567
9	Program service revenue (Part VIII, line 2g)	15,311,159	14,309,260
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	-90,458	388,046
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	381,051	408,329
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	15,891,161	15,200,202
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	75,000
14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	7,462,102	7,449,464
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶12,177		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	8,119,979	8,109,993
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	15,582,081	15,634,457
19	Revenue less expenses Subtract line 18 from line 12	309,080	-434,255

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	15,323,454	16,103,171
21	Total liabilities (Part X, line 26)	4,077,709	4,352,765
22	Net assets or fund balances Subtract line 21 from line 20	11,245,745	11,750,406

Part II Signature Block

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

Sign Here

****** | 2012-03-08
Signature of officer | Date

JAMES TIBBETTS TREASURER
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check if self-employed ▶☐	PTIN
W JAY SIMMS	W JAY SIMMS			

Firm's name ▶ TYLER SIMMS & STSAUVEUR CPAS PC | Firm's EIN ▶

Firm's address ▶ 19 MORGAN DRIVE
LEBANON, NH 03766 | Phone no ▶ (603) 653-0044

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

UPPER CONNECTICUT VALLEY HOSPITAL STRIVES TO IMPROVE THE WELL-BEING OF THE RURAL COMMUNITIES IT SERVES BY PROMOTING HEALTH AND ASSURING ACCESS TO QUALITY CARE

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 $ 12,733,592 including grants of $) (Revenue $ 14,684,941)

UPPER CONNECTICUT VALLEY HOSPTIAL PROVIDED HOSPITAL CARE AND INPATIENT AND OUTPATIENT SERVICES ON A REGION-WIDE BASIS

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

THE NET CHARITY CARE PROVIDED BY THE HOSPITAL FOR THE YEAR-ENDED SEPTEMBER 30, 2011 WAS $789,632

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** ▶ $ 12,733,592

Part IV Checklist of Required Schedules

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

Part IV Checklist of Required Schedules *(continued)*

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

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	1a	40		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			1c Yes	
2a	Enter the number of employees reported on Form W-3, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	2a	178		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?			2b Yes	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)				
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?			3a	No
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*			3b	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?			4a	No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?			5a	No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			5b	No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?			5c	
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?			6a	No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			6b	
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?			7a	No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?			7b	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			7c	No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			7e	No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?			7f	No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			7g	
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			7h	
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			8	
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?			9a	
b	Did the organization make a distribution to a donor, donor advisor, or related person?			9b	
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?			12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O			13a	
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?			14a	No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O*			14b	

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

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

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a 12		
b	Enter the number of voting members included in line 1a, above, who are independent	1b 11		
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

☐ Own website ☑ Another's website ☑ Upon request

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

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

THE ORGANIZATION
UCVH CORLISS LANE
COLEBROOK, NH 03576
(603) 237-4971

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) E HARLAN CONNARY SECRETARY	1 00	X		X				0	0	0
(2) NEIL P COUTURE BOARD MEMBER	1 00	X						0	0	0
(3) SHIRLEY POWELL BOARD MEMBER	1 00	X						0	0	0
(4) MARGARET CLEARY EX-OFFICIO/INTERIM CEO	1 00	X		X				0	0	0
(5) GREG E PLACY VICE CHAIRMAN	1 00	X		X				0	0	0
(6) JAMES TIBBETTS TREASURER	1 00	X		X				0	0	0
(7) WINSTON YOUNG CHAIRMAN	1 00	X		X				0	0	0
(8) THE REV CRAIG CHENEY BOARD MEMBER	1 00	X						0	0	0
(9) PALMER LEWIS BOARD MEMBER	1 00	X						0	0	0
(10) BRUCE BEAN BOARD MEMBER	1 00	X						0	0	0
(11) ODETTE CRAWFORD BOARD MEMBER	1 00	X						0	0	0
(12) ED LAVERTY PA-C CHIEF OF STAFF EX OFFICIO MEMBER	1 00	X						0	0	0
(13) LOUISE MCCLEERY CEO (THROUGH 3/31/11)	40 00	X		X				128,635	0	11,881
(14) ROBERT SOUCY EMERGENCY DEPT PHYSICIAN	43 00					X		194,643	0	22,828
(15) WILLIAM SPINA SURGEON	40 00					X		175,557	0	26,230
(16) GERALD WESTOVER PHYSICIAN	54 00					X		201,199	0	14,905

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(17) EDWARD LAVERTY MID LEVEL PROVIDER	51 00					X		162,253	0	21,249
(18) FERIAL LADAK EMERGENCY DEPT PHYSICIAN	46 00					X		238,133	0	16,681
1b **Sub-Total**										
c **Total from continuation sheets to Part VII, Section A**										
d **Total (add lines 1b and 1c)**								1,100,420	0	113,774

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 ▶ 12

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
ANDROSCOGGIN VALLEY HOSPITAL 59 PAGE HILL ROAD BERLIN, NH 03570	PT AND OT STAFF/SERVICE	481,483
CPSI 6600 WALL STREET MOBILE, AL 36695	SERVICE CONTRACTS	337,892
LIQUID AGENTS HEALTHCARE LLC 6900 DALLAS PARKWAY PLANO, TX 75024	HEALTHCARE STAFFING FIRM	201,431
LEADERS FOR TODAY 50 RESNIK ROAD PLYMOUTH, MA 02360	HEALTHCARE STAFFING FIRM	129,800
VIRTUAL RADIOLOGIC CORPORATION PO BOX 4246 CAROL STREAM, IL 60197	RADIOLOGY SERVICES	106,603

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 in compensation from the organization ▶ 5

Part VIII Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a Federated campaigns . .	1a				
	b Membership dues	1b				
	c Fundraising events	1c				
	d Related organizations . . .	1d				
	e Government grants (contributions)	1e	67,691			
	f All other contributions, gifts, grants, and similar amounts not included above	1f	26,876			
	g Noncash contributions included in lines 1a-1f $					
	h **Total.** Add lines 1a-1f . . . . . ▶		94,567			
Program Service Revenue		Business Code				
	2a NET PATIENT REVENUE	621990	14,309,260	14,309,260		
	b					
	c					
	d					
	e					
	f All other program service revenue					
	g **Total.** Add lines 2a–2f . . . . . ▶		14,309,260			
	3 Investment income (including dividends, interest and other similar amounts) . . . . . ▶		40,864			40,864
	4 Income from investment of tax-exempt bond proceeds . . ▶					
	5 Royalties . . . . . ▶					
		(i) Real	(ii) Personal			
	6a Gross Rents					
	b Less rental expenses					
	c Rental income or (loss)					
	d Net rental income or (loss) . . . . . ▶					
		(i) Securities	(ii) Other			
	7a Gross amount from sales of assets other than inventory	365,582				
	b Less cost or other basis and sales expenses		18,400			
	c Gain or (loss)	365,582	-18,400			
	d Net gain or (loss) . . . . . ▶		347,182			347,182
Other Revenue	8a Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 . . . a					
	b Less direct expenses . . . b					
	c Net income or (loss) from fundraising events . . ▶					
	9a Gross income from gaming activities See Part IV, line 19 . a					
	b Less direct expenses . . . . . b					
	c Net income or (loss) from gaming activities . . . ▶					
	10a Gross sales of inventory, less returns and allowances . a					
	b Less cost of goods sold . . b					
	c Net income or (loss) from sales of inventory . . ▶					
	Miscellaneous Revenue	Business Code				
	11a OTHER INCOME	900099	190,702	190,702		
	b SCHOOL NURSE PROGRAM	900099	169,804	169,804		
	c CAFETERIA	900099	32,648			32,648
	d All other revenue		15,175	15,175		
	e **Total.** Add lines 11a–11d . . . . . ▶		408,329			
	12 **Total revenue.** See Instructions . . . ▶		15,200,202	14,684,941	0	420,694

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	75,000	75,000		
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	90,727		90,727	
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	5,886,819	5,228,431	658,388	
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	71,489	63,917	7,572	
9 Other employee benefits	1,007,257	886,180	121,077	
10 Payroll taxes	393,172	344,264	48,908	
a Fees for services (non-employees) Management	256,798		256,798	
b Legal	63,444		63,444	
c Accounting	64,000		64,000	
d Lobbying				
e Professional fundraising services *See Part IV, line 17*				
f Investment management fees				
g Other				
12 Advertising and promotion				
13 Office expenses	1,351,699	1,245,458	106,241	
14 Information technology				
15 Royalties				
16 Occupancy	289,273	289,273		
17 Travel	87,109	58,900	28,209	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	16,305		16,305	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	716,683	716,683		
23 Insurance	96,716		96,716	
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 PURCHASED SERVICES	1,571,278	1,176,401	394,877	
b PROVISION FOR BAD DEBT	1,249,259	1,249,259		
c MEDICAID ENHANCEMENT TA	637,827		637,827	
d PHYSICIAN FEES	600,925	511,675	89,250	
e MISCELLANEOUS	416,054	388,207	15,670	12,177
f All other expenses	692,623	499,944	192,679	
25 **Total functional expenses.** Add lines 1 through 24f	15,634,457	12,733,592	2,888,688	12,177
26 **Joint costs.** Check here ▶ ☐ if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		294,199	1	565,903
	2	Savings and temporary cash investments		1,053,141	2	1,713,405
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		1,746,800	4	1,517,504
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers, and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Schedule L			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use		274,613	8	279,493
	9	Prepaid expenses and deferred charges		226,949	9	204,376
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 11,210,058			
	b	Less accumulated depreciation	10b 6,687,366	4,718,358	10c	4,522,692
	11	Investments—publicly traded securities		6,068,555	11	5,916,947
	12	Investments—other securities See Part IV, line 11		579,110	12	808,417
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		361,729	15	574,434
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		15,323,454	16	16,103,171
Liabilities	17	Accounts payable and accrued expenses		741,642	17	1,303,529
	18	Grants payable			18	
	19	Deferred revenue		85,173	19	24,790
	20	Tax-exempt bond liabilities			20	
	21	Escrow or custodial account liability *Complete Part IV of Schedule D*			21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons *Complete Part II of Schedule L*			22	
	23	Secured mortgages and notes payable to unrelated third parties		1,863,899	23	1,767,718
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities Complete Part X of Schedule D		1,386,995	25	1,256,728
	26	**Total liabilities.** Add lines 17 through 25		4,077,709	26	4,352,765
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		9,872,249	27	10,595,930
	28	Temporarily restricted net assets		1,304,311	28	1,085,291
	29	Permanently restricted net assets		69,185	29	69,185
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		11,245,745	33	11,750,406
	34	Total liabilities and net assets/fund balances		15,323,454	34	16,103,171

Part XI Reconcilliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12) . . .	1	15,200,202
2	Total expenses (must equal Part IX, column (A), line 25)	2	15,634,457
3	Revenue less expenses Subtract line 2 from line 1	3	-434,255
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . .	4	11,245,745
5	Other changes in net assets or fund balances (explain in Schedule O)	5	938,916
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	11,750,406

Part XII Financial Statements and Reporting

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

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

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
UPPER CONNECTICUT VALLEY HOSPITAL

Employer identification number
02-0276210

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

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

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

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

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

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

_____

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

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

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

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

9 ☐ An organization that normally receives (1) more than 331/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 331/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)

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

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

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

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

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

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

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

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

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

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

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

Section A. Public Support

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

Section B. Total Support

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

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

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

Section C. Computation of Public Support Percentage

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

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

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

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

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

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

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

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

Section A. Public Support

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

Section B. Total Support

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

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

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

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

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

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

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

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

Facts And Circumstances Test

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SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

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

OMB No 1545-0047

2010

Open to Public Inspection

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

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

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

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

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

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

Name of the organization	Employer identification number
UPPER CONNECTICUT VALLEY HOSPITAL	02-0276210

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

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

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

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

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

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

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

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Lobbying Expenditures During 4-Year Averaging Period

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

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

		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities? If "Yes," describe in Part IV	Yes		3,832
j	Total lines 1c through 1i			3,832
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

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

Identifier	Return Reference	Explanation
EXPLANATION OF OTHER LOBBYING ACTIVITIES	PART II-B, LINE 1I	UPPER CONNECTICUT VALLEY HOSPITAL IS A MEMBER OF THE NEW HAMPSHIRE HOSPITAL ASSOCIATION AND THE AMERICAN HOSPITAL ASSOCIATION A PORTION OF THE DUES PAID TO THESE ORGANIZATIONS IS AVAILABLE FOR LOBBYING EXPENDITURES ON BEHALF OF UCVH AND OTHER MEMBER ORGANIZATIONS IN FURTHERANCE OF THEIR EXEMPT PURPOSES UPPER CONNECTICUT VALLEY HOSPITAL DOES NOT DIRECLTY PERFORM ANY LOBBYING ACTIVITIES

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
UPPER CONNECTICUT VALLEY HOSPITAL

Employer identification number
02-0276210

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

	(a) Current Year	(b) Prior Year	(c) Two Years Back	(d) Three Years Back	(e) Four Years Back
1a Beginning of year balance	125,114	112,258	111,704		
b Contributions					
c Investment earnings or losses	2,130	12,856	554		
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance	127,244	125,114	112,258		

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

- a Board designated or quasi-endowment ▶ 0 %
- b Permanent endowment ▶ 54 370 %
- c Term endowment ▶ 45 620 %

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

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

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

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

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		9,700		9,700
b Buildings		4,284,323	1,978,224	2,306,099
c Leasehold improvements		351,255	194,726	156,529
d Equipment		6,539,748	4,514,416	2,025,332
e Other		25,032		25,032
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				4,522,692

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

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A) CASH AND CASH EQUIVALENTS	149,403	F
(B) SHORT TERM INVESTMENTS	659,014	F
Total. *(Column (b) should equal Form 990, Part X, col (B) line 12)* ▶	808,417	

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

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

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

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

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

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	
DUE TO THIRD PARTY PAYERS	1,225,246
CAPITAL LEASE	31,482
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	1,256,728

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

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

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	15,200,202
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	15,634,457
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	-434,255
4	Net unrealized gains (losses) on investments	4	-310,343
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	1,249,259
9	Total adjustments (net) Add lines 4 - 8	9	938,916
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	504,661

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	14,774,311
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	-310,343		
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	-310,343
3	Subtract line **2e** from line **1**			3	15,084,654
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	115,548		
c	Add lines **4a** and **4b**			4c	115,548
5	Total Revenue Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12)			5	15,200,202

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

1	Total expenses and losses per audited financial statements			1	14,373,021
2	Amounts included on line 1 but not on Form 990, Part IX, line 25				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIV)	2d			
e	Add lines **2a** through **2d**			2e	0
3	Subtract line **2e** from line **1**			3	14,373,021
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	1,261,436		
c	Add lines **4a** and **4b**			4c	1,261,436
5	Total expenses Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18)			5	15,634,457

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 INVESTMENTS ARE TO BE HELD IN PERPETUITY THE INCOME FROM THE INVESTMENTS IS EXPENDABLE TO SUPPORT THE HOSPITAL'S HEALTH CARE SERVICES
PART XI, LINE 8 - OTHER ADJUSTMENTS		PROVISION FOR BAD DEBTS
PART XII, LINE 4B - OTHER ADJUSTMENTS		FUNDRAISING EXPENSES 12,177 NET ASSETS RELEASED FOR CAPITAL EXPENDITURS 103,371
PART XIII, LINE 4B - OTHER ADJUSTMENTS		FUNDRAISING EXPENSES 12,177 PROVISION FOR BAD DEBTS 1,249,259

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
UPPER CONNECTICUT VALLEY HOSPITAL

Employer identification number
02-0276210

Part I Financial Assistance and Certain Other Community Benefits at Cost

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

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheets 1 and 2)			789,227	340,283	448,944	3 120 %
b Unreimbursed Medicaid (from Worksheet 3, column a)			1,907,633	1,520,143	387,490	2 690 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs			2,696,860	1,860,426	836,434	5 810 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)			10,895		10,895	0 080 %
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)			462,105		462,105	3 210 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions to community groups (from Worksheet 8)			12,450		12,450	0 090 %
j **Total** Other Benefits			485,450		485,450	3 380 %
k **Total.** Add lines 7d and 7j			3,182,310	1,860,426	1,321,884	9 190 %

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

		(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing						
2	Economic development						
3	Community support						
4	Environmental improvements						
5	Leadership development and training for community members						
6	Coalition building						
7	Community health improvement advocacy			640		640	0 %
8	Workforce development						
9	Other			670		670	0 %
10	**Total**			1,310		1,310	

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

Section A. Bad Debt Expense

				Yes	No
1	Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No 15?	1			No
2	Enter the amount of the organization's bad debt expense (at cost)	2	695,984		
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	22,271		
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	7,640,191		
6	Enter Medicare allowable costs of care relating to payments on line 5	6	7,739,629		
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	-99,438		
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used				

☐ Cost accounting system ☑ Cost to charge ratio ☐ Other

Section C. Collection Practices

9a	Does the organization have a written debt collection policy?	9a	Yes	
b	If "Yes," does the organization's collection policy contain provisions on the collection practices to be followed for patients who are known to qualify for charity care or financial assistance? Describe in Part VI	9b		No

Part IV **Management Companies and Joint Ventures**

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

Part V Facility Information

Section A. Hospital Facilities

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

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

	Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
1	UPPER CONNECTICUT VALLEY HOSPITAL 181 CORLISS LANE COLEBROOK,NH 03576	X	X			X		X		

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

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

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

	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, COLUMN (F) THE BAD DEBT EXPENSE INCLUDED ON FORM 990, PART IX, LINE 25, COLUMN (A), BUT SUBTRACTED FOR PURPOSES OF CALCULATING THE PERCENTAGE IN THIS COLUMN IS $ 1249259

Identifier	ReturnReference	Explanation
		PART III, LINE 8 ALLOWABLE COSTS COME FROM THE FILED COST REPORT AS UCVH OPERATES AT A LOSS FROM MEDICARE, THE SHORTFALL COULD BE TREATED AS A COMMUNITY BENEFIT AS THERE ARE NO OTHER FUNDS AVAILABLE TO SUBSIDIZE THE LOSS

Identifier	ReturnReference	Explanation
		PART VI, LINE 2 UCVH ASSESSES THE HEALTH CARE NEEDS OF THE COMMUNITIES IT SERVES THROUGH A VARIETY OF METHODOLOGIES FOR EXAMPLE, UCVH CONDUCTS COMMUNITY HEALTH CARE SCREENINGS AT BUSINESSES AND SCHOOLS FOR "REAL TIME" ASSESSMENTS THESE SCREENINGS ASSESS HEALTH THROUGH SUCH THINGS AS BLOOD TESTING FOR GLUCOSE AND CHOLESTEROL, BLOOD PRESSURE CHECKS, AND SKIN CANCER AWARENESS EDUCATION VOUCHERS ARE OFFERED FOR COUNSELING ABOUT THE TEST RESULTS, AND DIRECT FEEDBACK FROM THE PARTICIPANTS ABOUT THEIR HEALTH CARE NEEDS IS RECEIVED ONE-ON-ONE IN A PRIVATE AREA FEEDBACK FROM THE SCREENINGS IS USED TO PREPARE EDUCATIONAL TOPICS FOR PUBLIC EDUCATION, AND TO HELP PLAN FOR FUTURE SCREENINGS ANOTHER METHODOLOGY USED BY UCVH IS A COMMUNITY NEEDS ASSESSEMENT USING FOCUS GROUP INTERVIEWS, AN ANAYLSIS OF COOS COUNTY BEHAVIORAL AND RISK FACTOR SURVEILLANCE STATISTICS, AND COMPARISONS OF PREVIOUS COMMUNITY NEEDS ASSESSMENTS

Identifier	ReturnReference	Explanation
		PART VI, LINE 3 UCVH IS A CHARITABLE HEALTH CARE ORGANIZATION AND A DESIGNATED CRITICAL ACCESS HOSPITAL UCVH WILL TREAT PATIENTS WHO COME TO US FOR NON-ELECTIVE, MEDICALLY NECESSARY CARE, REGARDLESS OF THEIR FINANCIAL STATUS WE OFFER FINANCIAL ASSISTANCE FOR THESE SERVICES - IN THE FORM OF FREE OR DISCOUNTED CARE - TO THOSE PATIENTS WHO ARE UNABLE TO PAY THEIR BILLS THE PATIENTS OR THEIR FAMILY REPRESENTATIVES MUST COMPLETE AN APPLICATION AND PROVIDE INFORMATION THAT SUPPORTS THEIR FINANCIAL NEED ALL APPLICATIONS RECEIVED WILL BE PROCESSED UNDER BOTH THE NHHAN GUIDELINES, AS PUBLISHED IN THE NHHAN MANUAL, AND THE UCVH GUIDELINES PATIENTS WHO QUALIFY FOR FINANCIAL ASSISTANCE UNDER THE NHHAN GUIDELINES WILL RECEIVE A PORTABLE CARD THAT WILL BE HONORED AT OTHER NEW HAMPSHIRE PARTICIPATING MEDICAL FACILITIES UCVH GUIDELINES ARE ONLY APPLICABLE TO SERVICE RENDERED AT OUR SERVICE LOCATIONS AND ARE NOT PORTABLE

Identifier	ReturnReference	Explanation
		PART VI, LINE 4 THE UCVH SERVICE AREA IS COMPRISED OF SIX COMMUNITIES IN NORTHERN NEW HAMPSHIRE (COLEBROOK, STRATFORD, PITTSBURG, STREWARTSTOWN, COLUMBIA, ERROL, AND CLARKSVILLE), AS WELL AS EIGHT OTHER SMALL COMMUNITIES IN VERMONT AND TWO IN MAINE THE REGIONAL HEALTH PROFILE ASSESSED OUR POPULATION AT APPROXIMATELY 8,500 COVERING 850 SQUARE MILES THE MAJOR ISSUES OF THE COMMUNITY THAT UCVH SERVES ARE GEOGRAPHIC AND ECONOMIC BARRIERS, AND THE POVERTY-RELATED ISSUES OF SUBSTANCE ABUSE AND TEEN PREGNANCY

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

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
UPPER CONNECTICUT VALLEY HOSPITAL

Employer identification number
02-0276210

Part I General Information on Grants and Assistance

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

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

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

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

1 (a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) 45TH PARALLEL EMS46 RAMSEY ROAD COLEBROOK,NH 03576	26-2005001	501(C)3	25,000		FMV		AMBULANCE SERVICES
(2) INDIAN STREAM HEALTH CENTER INC2 CORLISS LN RR2 BOX 14 COLEBROOK,NH 03576	20-0999212	501(C)3	50,000		FMV		MEDICAL SERVICES

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

3 Enter total number of other organizations . . . ▶

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

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

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

Identifier	Return Reference	Explanation

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees
▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
UPPER CONNECTICUT VALLEY HOSPITAL

Employer identification number
02-0276210

Part I Questions Regarding Compensation

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

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

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

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) ROBERT SOUCY	(i)	194,643	0	0	4,032	18,796	217,471	0
	(ii)	0	0	0	0	0	0	0
(2) WILLIAM SPINA	(i)	175,557	0	0	4,800	21,430	201,787	0
	(ii)	0	0	0	0	0	0	0
(3) GERALD WESTOVER	(i)	201,199	0	0	0	14,905	216,104	0
	(ii)	0	0	0	0	0	0	0
(4) EDWARD LAVERTY	(i)	162,253	0	0	2,534	18,715	183,502	0
	(ii)	0	0	0	0	0	0	0
(5) FERIAL LADAK	(i)	238,133	0	0	0	16,681	254,814	0
	(ii)	0	0	0	0	0	0	0
(6)								
(7)								
(8)								
(9)								
(10)								
(11)								
(12)								
(13)								
(14)								
(15)								
(16)								

Part III Supplemental Information

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

Identifier	Return Reference	Explanation

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SCHEDULE 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
UPPER CONNECTICUT VALLEY HOSPITAL

Employer identification number
02-0276210

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11		THE FORM 990 IS PROVIDED TO THE FINANCE COMMITTEE FOR REVIEW AND APPROVAL BEFORE IT IS FILED

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	OFFICERS, DIRECTORS, AMD KEY EMPLOYEES ARE REQUIRED TO SIGN A CONFLICT OF INTEREST DOCUMENT

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15	THE HOSPITAL CEO'S COMPENSATION AND BENEFIT PACKAGE IS REVIEWED PERIODICALLY BY COMMUNITY BOARD MEMBERS WHO GOVERN THE NON-PROFIT ORGANZATION AS UNPAID, INDEPENDENT VOLUNTEERS THE PERIODIC REVIEW INCLUDES COMPARABILITY DATA, AND THE DELIBERATION AND DECISION-MAKING IS SUBSTANTIATED BY WRITTEN MINUTES

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 18	UVCH MAKES ITS FORM 990 AVAILABLE UPON REQUEST AND ON THE GUIDESTAR WEBSITE

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 19	AVAILABLE UPON REQUEST

Identifier	Return Reference	Explanation
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	NET UNREALIZED LOSSES ON INVESTMENTS -310,343 PROVISION FOR BAD DEBTS 1,249,259 TOTAL TO FORM 990, PART XI, LINE 5 938,916

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
UPPER CONNECTICUT VALLEY HOSPITAL

Employer identification number
02-0276210

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
(1) WEEKS MEDICAL CENTER 173 MIDDLE STREET LANCASTER, NH 03584 02-0222242	HOSPITAL	NH	501C(3)	170(B)(1)(A)III			No
(2) MARY HITCHCOCK MEMORIAL HOSPITAL 1 MEDICAL CENTER DRIVE LEBANON, NH 03756 02-0222140	HOSPITAL	NH	501C(3)	170(B)(1)(A)III			No
(3) DARTMOUTH-HITCHCOCK CLINIC 1 MEDICAL CENTER DRIVE LEBANON, NH 03756 22-2519596	MEDICAL CLINIC	NH	501C(3)	509(A)(2)			No
(4) ANDROSCOGGIN VALLEY HOSPITAL 59 PAGE HILL ROAD BERLIN, NH 03570 02-0280367	HOSPITAL	NH	501C(3)	170(B)(1)(A)III			No

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership

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

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

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

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

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) MARY HITCHCOCK MEMORIAL HOSPITAL	E	203,423	CASH PAID
(2) MARY HITCHCOCK MEMORIAL HOSPITAL	L	16,161	FMV
(3) NEW ENGLAND ALLIANCE FOR HEALTH	L	145,811	FMV
(4) DARTMOUTH-HITCHCOCK CLINIC	L	19,117	FMV
(5) WEEKS MEDICAL CENTER	L	29,910	FMV
(6) ANDROSCOGGIN VALLEY HOSPITAL	L	465,757	FMV

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

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

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

Part VII Supplemental Information

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

Identifier	Return Reference	Explanation

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 02-0276210
Name: UPPER CONNECTICUT VALLEY HOSPITAL

Form 990, Schedule R, Part V - Transactions With Related Organizations

	(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount Involved ($)	(d) Method of determining amount involved
(1)	MARY HITCHCOCK MEMORIAL HOSPITAL	E	203,423	CASH PAID
(2)	MARY HITCHCOCK MEMORIAL HOSPITAL	L	16,161	FMV
(3)	NEW ENGLAND ALLIANCE FOR HEALTH	L	145,811	FMV
(4)	DARTMOUTH-HITCHCOCK CLINIC	L	19,117	FMV
(5)	WEEKS MEDICAL CENTER	L	29,910	FMV
(6)	ANDROSCOGGIN VALLEY HOSPITAL	L	465,757	FMV

UPPER CONNECTICUT VALLEY HOSPITAL ASSOCIATION

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

SEPTEMBER 30, 2011 AND 2010

UPPER CONNECTICUT VALLEY HOSPITAL ASSOCIATION

SEPTEMBER 30, 2011 AND 2010

TABLE OF CONTENTS

TYLER, SIMMS & ST. SAUVEUR, P.C.
Certified Public Accountants & Business Consultants

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of
Upper Connecticut Valley Hospital Association:

We have audited the accompanying statements of financial position of Upper Connecticut Valley Hospital Association as of September 30, 2011 and 2010, and the related statements of operations and changes in unrestricted net assets, 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 the financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Upper Connecticut Valley Hospital Association as of September 30, 2011 and 2010, and the results of its operations, changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

The accompanying supplementary information is presented for purposes of additional analysis and has not been subjected to the same procedures applied in the audit of the basic financial statements, but has been compiled from information that is the representation of the management of Upper Connecticut Valley Hospital Association without audit or review. Accordingly, we do not express an opinion or any other form of assurance on such supplementary information.

Tyler, Simms and St. Sauveur, CPAs, P.C.

Lebanon, New Hampshire
December 23, 2011

Tyler, Simms & St Sauveur, P.C. • 19 Morgan Drive • Lebanon NH 03766 • Ph 603-653-0044 • Fax 603-653-0209
www.tss-cpa.com

UPPER CONNECTICUT VALLEY HOSPITAL ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2011 AND 2010

	2011	2010
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 2,279,308	$ 1,347,340
Patient accounts receivable, net	1,517,504	1,746,800
Other accounts receivable	549,434	336,729
Inventories of supplies	279,493	274,613
Prepaid expenses and other current assets	204,376	226,949
Total current assets	4,830,115	3,932,431
ASSETS LIMITED AS TO USE:		
Investments - internally designated by Board	5,570,888	5,274,169
Investments - temporarily restricted	1,085,291	1,304,311
Investments - permanently restricted	69,185	69,185
Total assets limited as to use	6,725,364	6,647,665
PROPERTY AND EQUIPMENT	4,522,692	4,718,358
OTHER ASSETS:		
Deposits	25,000	25,000
Total other assets	25,000	25,000
Total assets	$ 16,103,171	$ 15,323,454
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	$ 684,474	$ 360,126
Accrued salaries and related accounts	358,160	317,335
Deferred revenue	24,790	85,173
Due to third-party payors	1,225,246	1,347,485
Other accrued expenses	260,895	64,181
Current portion of long-term debt	258,670	261,921
Current portion of capital lease	8,786	8,786
Total current liabilities	2,821,021	2,445,007
LONG-TERM DEBT, less current portion shown above	1,509,048	1,601,978
CAPITAL LEASE, less current portion shown above	22,696	30,724
Total liabilities	4,352,765	4,077,709
COMMITMENTS AND CONTINGENCIES	-	-
NET ASSETS:		
Unrestricted	10,595,930	9,872,249
Temporarily restricted	1,085,291	1,304,311
Permanently restricted	69,185	69,185
Total net assets	11,750,406	11,245,745
Total liabilities and net assets	$ 16,103,171	$ 15,323,454

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

UPPER CONNECTICUT VALLEY HOSPITAL ASSOCIATION
STATEMENTS OF OPERATIONS AND CHANGES IN UNRESTRICTED NET ASSETS
FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010

	2011	2010
UNRESTRICTED REVENUES AND OTHER SUPPORT:		
Net patient service revenue (Schedule 2)	$ 14,309,260	$ 14,026,399
Other operating revenues (Schedule 2)	425,311	353,119
Net assets released from restriction for operations	93,386	47,525
Total unrestricted revenues and other support	14,827,957	14,427,043
OPERATING EXPENSES:		
Salaries and wages (Schedule 3)	4,631,437	4,711,944
Employee benefits (Schedule 3)	1,489,814	1,425,420
Professional fees and wages (Schedule 3)	2,241,213	2,053,863
Supplies and other expense (Schedule 3)	4,639,742	4,549,900
Medicaid enhancement tax	637,827	743,001
Depreciation	716,683	727,526
Interest	16,305	69,866
Total operating expenses	14,373,021	14,281,520
INCOME FROM OPERATIONS	454,936	145,523
NON-OPERATING GAINS (LOSSES):		
Investment income, net	122,587	390,460
Town appropriations	38,850	41,600
Unrestricted gifts and bequests	2,470	6,249
Loss on disposal or abandonment of equipment	(18,400)	(26,556)
Other	19,867	35,465
Non-operating gains (losses), net	165,374	447,218
EXCESS OF REVENUES OVER EXPENSES	620,310	592,741
OTHER CHANGES IN UNRESTRICTED NET ASSETS:		
Net assets released from restrictions for capital expenditures	103,371	121,838
Total changes in unrestricted net assets	103,371	121,838
INCREASE IN UNRESTRICTED NET ASSETS	723,681	714,579
UNRESTRICTED NET ASSETS, beginning of year	9,872,249	9,157,670
UNRESTRICTED NET ASSETS, end of year	$ 10,595,930	$ 9,872,249

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

UPPER CONNECTICUT VALLEY HOSPITAL ASSOCIATION
STATEMENTS OF CHANGES IN NET ASSETS
FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010

	2011	2010
UNRESTRICTED NET ASSETS:		
Excess of revenues over expenses	$ 620,310	$ 592,741
Net assets released from restrictions for capital expenditures	103,371	121,838
Change in unrestricted net assets	723,681	714,579
TEMPORARILY RESTRICTED NET ASSETS:		
Contributions restricted as to use	2,505	216,732
Income from fundraising events, net	1,716	1,494
Investment income (loss)	27,082	(10,858)
Change in market valuation on investments	(55,696)	89,764
Net assets released from restrictions used for operations	(93,386)	(47,525)
Net assets released from restrictions used for capital expenditures	(103,371)	(121,838)
Endowment investment income (loss)	10,297	(1,523)
Endowment change in market valuation on investments	(8,167)	14,379
Change in temporarily restricted net assets	(219,020)	140,625
CHANGE IN NET ASSETS	504,661	855,204
NET ASSETS, Beginning of year	11,245,745	10,390,541
NET ASSETS, End of year	$ 11,750,406	$ 11,245,745

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

UPPER CONNECTICUT VALLEY HOSPITAL ASSOCIATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 504,661	$ 855,204
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	716,683	727,526
Provision for bad debts	1,249,259	1,284,760
Net change in unrealized (gains) losses on investments	310,343	(546,124)
Loss on disposal or abandonment of equipment	18,400	26,556
(Increase) decrease in the following assets:		
Patient accounts receivable, net	(1,019,963)	(475,886)
Other accounts receivable	(212,705)	(211,540)
Inventories of supplies	(4,880)	25,528
Prepaid expenses and other current assets	22,573	(51,990)
Increase (decrease) in the following liabilities:		
Accounts payable	324,348	(218,093)
Accrued salaries and related accounts	40,825	(340,639)
Deferred revenue	(60,383)	(29,299)
Due to third-party payors	(122,239)	362,901
Other accrued expenses	196,714	(139,031)
Net cash provided by operating activities	1,963,636	1,269,873
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(373,677)	(223,756)
Proceeds from sale of property	-	7,042
Proceeds from sale of investments	1,924,277	1,436,315
Purchase of investments, net of transfers	(2,312,319)	(1,768,774)
Net cash used in investing activities	(761,719)	(549,173)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment on long-term debt obligation	(261,921)	(140,788)
Payment on capital lease obligation	(8,028)	(7,490)
Net cash used in financing activities	(269,949)	(148,278)
NET INCREASE IN CASH AND CASH EQUIVALENTS	931,968	572,422
CASH AND CASH EQUIVALENTS, beginning of year	1,347,340	774,918
CASH AND CASH EQUIVALENTS, end of year	$ 2,279,308	$ 1,347,340

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Interest paid	$ 18,979	$ 114,424

SUPPLEMENTAL DISCLOSURES OF NON-CASH TRANSACTIONS

During the year ended September 30, 2011, the Hospital acquired certain assets through debt financing in the amount of $165,740. The Hospital also refinanced certain debt (see Note 6).

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization – Upper Connecticut Valley Hospital Association (the Hospital) is a 16-bed acute care hospital serving Northern New Hampshire. Effective April 1, 2001, the Hospital was designated as a Critical Access Hospital.

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

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

Unrestricted Net Assets – Net assets not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets – Net assets subject to donor-imposed stipulations that may be or will be met by actions of the Hospital and/or the passage of time.

Permanently Restricted Net Assets – Net assets subject to donor-imposed stipulations that must be maintained permanently by the Hospital.

Income Taxes – The Hospital is exempt from federal income taxes as an organization described in Section 501(c)(3) of the Internal Revenue Code.

Concentration of Credit Risk – Financial instruments that potentially expose the Hospital to concentrations of credit and market risk consist primarily of cash, investments and receivables. Cash is maintained at high-quality financial institutions and credit exposure is not limited to any one institution. The Hospital has not experienced any losses on its cash. The Hospital's investments do not represent significant concentrations of market risk in as much as the Hospital's investment portfolio is adequately diversified among issuers. See Note 17 for concentration of credit risk for receivables.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

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 retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Management believes that adequate provision has been made for adjustments that may result from final determination of amounts earned under these programs.

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.

Excess of Revenues Over Expenses – The statement of operations includes excess of revenues over expenses. Changes in unrestricted net assets which are excluded from excess of revenues over expenses, consistent with industry practice, include permanent transfers of assets to and from affiliates for other than goods and services and contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purpose of acquiring such assets).

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 statement of operations and changes in unrestricted net assets 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.

Cash and Cash Equivalents – Cash and cash equivalents include demand deposits, petty cash funds, money market deposits and certificates of deposit with a maturity of three months or less, excluding amounts whose use is limited by board designation or amounts included in investments for temporarily and permanently restricted net assets.

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

Advertising – Advertising costs are charged to operations when incurred.

Receivables – Patients accounts and loans receivable are carried at their estimated collectible amounts. Interest income on applicable loans receivable is recognized using the interest method. Patient credit is generally extended on a short-term basis; thus, patient accounts receivables do not bear interest.

Patient account receivables are periodically evaluated for collectability based on credit history and current financial condition. Provisions for losses on loans receivable are determined on the basis of loss experience, known and inherent risks, estimated value of collateral and current economic conditions.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Assets Limited as to Use – Assets limited as to use primarily include designated assets set aside by the Board of Trustees for future capital improvements, over which the Board retains control and may at its discretion subsequently use for other purposes.

Investments – Investments in equity securities with readily determinable fair market value and all investments in debt securities are measured at fair value in the statements of financial position. The Hospital accounts for its investment portfolio in accordance with Accounting Standards Codification Topic 825 - *Financial Instruments* - and, accordingly, investment income or loss (including realized gains and losses on investments, interest and dividends) and unrealized gains and losses are included in the excess of revenues over expenses unless the income or loss is restricted by donor or law.

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

Property and Equipment – Property and equipment is stated at cost at time of purchase or fair market value at time of donation, less accumulated depreciation. The Hospital's policy is to capitalize expenditures for major improvements and charge maintenance and repairs currently for expenditures, which do not extend the lives of the related assets. The provision for depreciation has been determined using the straight-line method at rates which are intended to amortize the cost of the assets over their estimated useful lives, which have generally been determined by reference to the recommendations of the American Hospital Association.

The Hospital reviews the carrying value of property and equipment for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results, trends and prospects, as well as the effects of obsolescence, demand, competition and other economic factors.

Deferred Revenue – The Hospital records approved grant awards from state agencies as deferred revenue until earned. In addition, the Hospital recognized deferred revenue on Medicare home health visits billed but services have not been rendered during fiscal year 2010.

Employee Fringe Benefits – The Hospital has an "earned time" plan to provide certain fringe benefits for its employees. Under this plan, each employee "earns" paid leave for each payroll period worked. Accumulated hours may be used for vacations, holidays or illnesses. Hours earned but not used are vested with the employee. The Hospital accrues the cost of these benefits as they are earned.

Reclassifications – Certain amounts in the 2010 financial statements have been reclassified to conform to the 2011 presentation.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Recent Accounting Pronouncements – In July 2011, the FASB issued Accounting Standards Update (ASU) No. 2011-07, *Health Care Entities Topic 954 – Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities.* The amendments in the ASU require that health care entities change the presentation of their statement of operations by reclassifying the provision for bad debts associated with patient service revenue from an operating expense to a deduction from patient service revenue (net of contractual allowance and discounts). Additionally, health care entities are required to provide enhanced disclosure about their policies for recognizing revenue and assessing bad debts. The amendments also require disclosures of patient services revenue (net of contractual allowances and discounts), as well as qualitative and quantitative information about changes in the allowance for doubtful accounts. The amendments are effective for periods ending after December 15, 2012, with early adoption permitted. The Hospital adopted the provisions of ASU 2011-07 during 2011.

Recent Accounting Pronouncements Not Yet Applicable – In August 2010, the FASB issued Accounting Standards Update (ASU) No. 2010-23, *Health Care Entities Topic 954 – Measuring Charity Care for Disclosure.* The amendments in the ASU require that cost be used as the measurement basis for charity care disclosure purposes and that cost be identified as the direct and indirect costs of providing charity care. Amendments in this ASU also require disclosure of the method used to identify or determine such costs. The amendments in this ASU are effective for fiscal years beginning after December 15, 2010. Management will be adopting this ASU in 2012.

In May 2011, the FASB issued Accounting Standards Update 2011-04, *Fair Value Measurement and Disclosure Topic 820 – Amendments to Achieve Common Fair Value Measurement and Disclosure Required in U.S. GAAP and IFRS.* Update 2011-04 changes the wording used to describe many of the requirements in U.S. GAAP for measuring fair value and for disclosing information about fair value measurement. Some of the amendments included in 2011-04 clarify the FASB's intent about the application of existing fair value measurement requirements. Other amendments change a particular principle or requirement for measuring fair value or for disclosing information about fair value measurements. In addition, 2011-04 clarifies specific disclosure requirements of Topic 820 that will not pertain to nonpublic entities, including information about transfers between Level I and Level II instruments, information about the sensitivity of fair value measurement for Level III instruments to changes in unobservable inputs, and the categorization in the fair value hierarchy of those items not presented at fair value on the statement of financial position but for which disclosure of fair value would otherwise be required. Update 2011-04 is effective for years beginning after December 15, 2011.

2. COMMUNITY CARE:

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

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

2. COMMUNITY CARE (continued):

The net charity care provided was $789,632 and $918,308 for the years ended September 30, 2011 and 2010, respectively. The total estimate is based on actual charges for free or discounted services provided per the charity care policy.

The Hospital provided charity care for the following number of patient admissions/visits for the years ended September 30:

	2011		2010	
	Community	% of Total	Community	% of Total
Inpatient admissions	32	10%	49	15%
Outpatient visits	777	4%	598	3%

In addition, the Hospital also incurred losses in the treatment of Medicare and Medicaid patients. Both of these government programs reimburse for medical services at less than billed charges to provide these services. The Hospital incurred the following contractual losses during the years ended September 30:

	2011	2010
Inpatient and outpatient services:		
Medicare	$ 6,046,115	$ 5,010,021
Medicaid	2,224,280	2,416,869
	$ 8,698,880	$ 7,426,890

In summary, total tangible value of community benefits provided by the Hospital was approximately $9,488,000 for 2011 and $8,101,000 for 2010 The Hospital also provided benefits upon which no monetary value can be placed.

3. NET PATIENT SERVICE REVENUE AND PATIENT ACCOUNTS RECEIVABLE:

Net Patient Service Revenue – Net patient service revenue is reported net of contractual allowances, provision for bad debt, and charity care as follows for the years ended September 30:

	2011	2010
Gross patient service revenue	$ 24,612,124	$ 24,843,844
Plus: Medicaid disproportionate share hospital payments	1,547,225	953,697
Less contractual allowances	9,811,198	9,568,074
Less provision for bad debt	1,249,259	1,284,760
Less charity care	789,632	918,308
Net patient service revenue	$ 14,309,260	$ 14,026,399

3. NET PATIENT SERVICE REVENUE AND PATIENT ACCOUNTS RECEIVABLE (continued):

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 – During fiscal year 2001, the Hospital applied for, and received approval, to participate in the Medicare program as a Critical Access Hospital (CAH), effective April 1, 2001. The Medicare Critical Access Hospital Program is a component of the Rural Hospital Flexibility Act passed as a part of the Balanced Budget Act of 1997. CAHs can provide outpatient, emergency and limited inpatient services and receive reasonable cost for their services. The program requires the Hospital to have an average length of stay limit of 96 hours, be part of a network with one acute care hospital and have no more than 25 inpatient beds that can be used for either acute or skilled nursing facility level of care.

The Hospital is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare fiscal intermediary. The Hospital's cost reports have been audited or desk reviewed by the Medicare fiscal intermediary through September 30, 2009.

Medicaid – Inpatient services rendered to New Hampshire Medicaid program beneficiaries are reimbursed on a prospectively determined per case basis. Outpatient services are reimbursed under a prospectively determined rate per charge for laboratory and certain diagnostic services and a cost reimbursement methodology for all other outpatient services. These outpatient services are reimbursed at an interim rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the fiscal intermediary. The Hospital's cost reports have been audited or desk reviewed by the fiscal intermediary through September 30, 2008.

Blue Cross – Inpatient and outpatient services rendered to Blue Cross subscribers are reimbursed at prospectively determined discounts from charges. The discounted rates are not subject to retroactive adjustment.

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

Patient Accounts Receivable – Patient accounts receivable is stated net of estimated contractual allowances and allowance for uncollectible accounts as follows.

	2011	2010
Patient accounts receivable	$ 3,676,589	$ 4,212,616
LESS: Allowance for uncollectible accounts	1,015,500	1,280,975
Reserve for contractual allowances	1,143,585	1,184,841
Patient accounts receivable, net	$ 1,517,504	$ 1,746,800

3. NET PATIENT SERVICE REVENUE AND PATIENT ACCOUNTS RECEIVABLE (continued):

Patient accounts receivable are reduced by an allowance for doubtful account. In evaluating the collectibility of accounts receivable, the Hospital analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. For receivables associated with service provided to patients who have third-party coverage, the Hospital analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary. For receivables associated with self-pay patients, including both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for only part of the bill, the Hospital records a provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

The following table represents a summary of self-pay estimated allowances for doubtful accounts as of September 30, and the related write-offs for the years ended September 30:

	2011	2010
Allowance for doubtful accounts as percentage of patient accounts receivables, net of contractual	40%	42%
Accounts receivables written off during the year	$ 1,514,734	$ 1,640,474

4. INVENTORIES OF SUPPLIES:

The major categories of inventories are as follows as of September 30:

	2011	2010
Dietary	$ 13,698	$ 16,528
Medical	95,144	105,550
Pharmacy	136,286	122,881
Other	34,365	29,654
	$ 279,493	$ 274,613

5. PROPERTY AND EQUIPMENT:

The major categories of property and equipment and the useful lives used for depreciation are as follows as of September 30.

	USEFUL LIVES	2011	2010
Land	-	$ 9,700	$ 9,700
Land improvements	10-40	351,255	347,676
Buildings	10-40	4,284,323	4,233,668
Fixed equipment	3-40	2,205,160	2,164,313
Major movable and minor equipment	3-20	4,334,588	4,486,038
Construction in progress		25,032	-
		11,210,058	11,241,395
LESS: Accumulated depreciation		6,687,366	6,523,037
		$ 4,522,692	$ 4,718,358

Construction in progress consists of flooring installation and was completed in October 2011 for a total cost of $25,032.

6. LONG-TERM DEBT:

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

	2011	2010
Term promissory note payable to Mary Hitchcock Memorial Hospital, due in semi-annual payments of $89,388, including interest at 5.8%, beginning May 1, 1999. During fiscal year 2011, this note was renegotiated and consolidated with the note below into one loan.	$ -	$ 1,239,861
Promissory note to Mary Hitchcock Memorial Hospital, due in semi-annual payments of $36,338, including interest of 5.36%, beginning May 1, 2007. During fiscal year 2011, this note was renegotiated and consolidated with the note above into one loan.	-	624,038
Promissory note to Mary Hitchcock Memorial Hospital, due in monthly installments of varying principal payments plus variable interest determined by the lesser of 5.8% or SIFMA, beginning November 1, 2010 through November 2018. This note is secured by a first mortgage on real estate, a priority security interest in gross receipts and a priority security interest in cash and securities of $1 million.	1,601,978	-

6. LONG-TERM DEBT (continued):

	2011	2010
Promissory note to Baxter Healthcare Corporation, due in monthly installments of $4,604, non-interest bearing, beginning November 1, 2011 through November 2014, secured by certain equipment.	165,740	-
	1,767,718	1,863,899
LESS: Current portion	258,670	261,921
	$ 1,509,048	$ 1,601,978

The Mary Hitchcock Memorial Hospital promissory note referenced above is secured by board designated investments of $1,000,000.

In connection with the Mary Hitchcock Memorial Hospital debt agreement, the Hospital has agreed to comply with specific covenants. As of September 30, 2011, the Hospital was in compliance with all covenants

Aggregate maturities of long-term debt as of September 30, 2011 are as follows:

2012 (included in current liabilities)	$ 258,670
2013	264,857
2014	271,232
2015	222,555
2016	229,324
Thereafter	521,080
	$ 1,767,718

7. CAPITAL LEASE OBLIGATION:

During the year ended September 30, 2010, the Hospital acquired several pieces of equipment under a capital lease. The equipment is recorded on the Hospital's books at September 30, 2011 and 2010 as capital lease equipment at a cost of $47,000. The equipment is being amortized on a straight-line basis over five years using the half-year convention. Accumulated amortization on the leased equipment was $14,100 and $4,700 at September 30, 2011 and 2010, respectively.

The future minimum lease payments under the capital leases as of September 30 are as follows:

2012	$ 11,485
2013	11,485
2014	11,485
Total minimum lease payments	34,455
LESS: Amount representing interest	2,973
	31,482
Current maturity capital lease	8,786
Long-term capital lease obligation	$ 22,696

8. FAIR VALUE OF FINANCIAL INSTRUMENTS:

The following method and assumptions were used in estimating the fair value of financial instruments:

Cash and cash equivalents – The carrying amount reported in the statement of financial position for cash and cash equivalents approximates fair value due to its short-term nature.

Internally designated investments and assets limited as to use – Fair values are based on quoted market prices

Patient accounts receivable – Gross patient accounts receivable net of allowances as reported in the statement of financial position approximates fair value due to its short-term nature.

Accounts payable and accrued expenses – The carrying amount reported in the statement of financial position for accounts payable and accrued expenses approximates fair-value due to its short-term nature

Due to third-party payors – The carrying amount reported in the statement of financial position for amounts due to third-party payors approximates fair-value due to its short-term nature.

The Hospital pools its investments with one investment company and allocates the investment income to each fund based upon each fund's percentage of total assets.

Investments consisted of the following as of September 30:

	2011		2010	
	COST	MARKET	COST	MARKET
Investments whose use is limited - Pooled investments				
Highly liquid short-term investments	$ 659,014	$ 659,014	$ 431,992	$ 431,992
Bonds	2,840,875	2,972,027	2,826,445	2,994,269
Stocks	2,861,006	2,944,920	2,716,700	3,074,286
	6,360,895	6,575,961	5,975,137	6,500,547
Cash and cash equivalents	149,403	149,403	147,118	147,118
Total investments	$ 6,510,298	$ 6,725,364	$ 6,122,255	$ 6,647,665

The pooled investments were allocated to the following funds as of September 30:

	2011	2010
Board designated funds	$ 5,570,888	$ 5,274,169
Temporarily restricted funds	1,085,291	1,304,311
Permanently restricted funds	69,185	69,185
	$ 6,725,364	$ 6,647,665

8. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued):

Unrealized gains and losses pertaining to investments were as follows as of September 30:

	2011		2010	
	GENERAL FUNDS	DONOR-RESTRICTED FUNDS	GENERAL FUNDS	DONOR-RESTRICTED FUNDS
Gross unrealized gains	$ 4,437	$ 902	$ 564,545	$ 133,038
Gross unrealized losses	(262,355)	(53,327)	(122,574)	(28,885)
Net unrealized gains (losses)	$ (257,918)	$ (52,425)	$ 441,971	$ 104,153

Realized gains and losses (based on average cost of each security sold) are included in investment income which is reported in non-operating gains (losses) of the general fund and as a change in net assets for the donor-restricted funds as follows:

	2011		2010	
	GENERAL FUNDS	DONOR-RESTRICTED FUNDS	GENERAL FUNDS	DONOR-RESTRICTED FUNDS
Realized gains	$ 257,166	$ 52,272	$ 114,986	$ 27,097
Realized losses	(57,258)	(11,638)	(280,551)	(66,113)
Net realized gains (losses)	$ 199,908	$ 40,634	$ (165,565)	$ (39,016)

FASB ASC Topics 820 and 825 prioritize, within the measurement of fair value, the use of market-based information over entity-specific information and establishes a three-level hierarchy for fair value measurements based on the transparency of information used in the valuation of an asset or liability as of the measurement date.

Investments measured and reported at fair value are classified and disclosed in one of the following categories:

- Level I – Quoted prices are available in active markets for identical investments as of the reporting date. The type of investments in Level I include listed equities held in the name of the Hospital, and exclude listed equities and other securities held indirectly through commingled funds.

- Level II – Pricing inputs, including broker quotes, are generally those other than exchange quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.

8. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued):

- Level III – Pricing inputs are unobservable for the investment and includes situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation. Judgment about inputs into the determination of fair value shall be developed based on the best information available in the circumstances

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level input that is significant to the fair value measurement.

The following table presents the financial instruments carried at fair value as of September 30, 2011 and 2010 by FASB ASC Topics 820 and 825 valuation hierarchy defined above.

	Assets at Fair Value as of September 30, 2011			
	Level I	Level II	Level III	Total
Assets				
Cash and cash equivalents	$ 808,417	$ -	$ -	$ 808,417
Bonds and corporate obligations	2,972,027	-	-	2,972,027
Marketable equity securities	2,944,920	-	-	2,944,920
Total assets at fair value	$ 6,725,364	$ -	$ -	$ 6,725,364

	Assets at Fair Value as of September 30, 2010			
	Level I	Level II	Level III	Total
Assets				
Cash and cash equivalents	$ 579,585	$ -	$ -	$ 579,585
Bonds and corporate obligations	2,994,269	-	-	2,994,269
Marketable equity securities	3,073,811	-	-	3,073,811
Total assets at fair value	$ 6,647,665	$ -	$ -	$ 6,647,665

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

9. ENDOWMENT:

Return Objectives and Risk Parameters – The Hospital has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Hospital must hold in perpetuity or for a donor-specified period(s), as well as board-designated funds. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 index while assuming a moderate level of investment risk.

9. ENDOWMENT (continued):

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

Endowment Net Asset Composition by Type of Fund as of September 30, 2011 –

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ -	$ 58,059	$ 69,185	$ 127,244
Total funds	$ -	$ 58,059	$ 69,185	$ 127,244
Endowment net assets, beginning of year	$ -	$ 55,929	$ 69,185	$ 125,114
Investment return				
Investment gain (loss)	-	10,297	-	10,297
Net appreciation (depreciation) (realized and unrealized)	-	(8,167)	-	(8,167)
Total investment return	-	2,130	-	2,130
Endowment net assets, end of year	$ -	$ 58,059	$ 69,185	$ 127,244

Endowment Net Asset Composition by Type of Fund as of September 30, 2010 –

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ -	$ 55,929	$ 69,185	$ 125,114
Total funds	$ -	$ 55,929	$ 69,185	$ 125,114
Endowment net assets, beginning of year	$ -	$ 43,073	$ 69,185	$ 112,258
Investment return:				
Investment gain (loss)	-	(1,523)	-	(1,523)
Net appreciation (depreciation) (realized and unrealized)	-	14,379	-	14,379
Total investment return	-	12,856	-	12,856
Endowment net assets, end of year	$ -	$ 55,929	$ 69,185	$ 125,114

10. PENSION PLAN:

The Hospital has a defined contribution pension plan that covers substantially all full-time employees. The Hospital contributes to the plan upon the employee's completion of two years of uninterrupted services. The contribution is based upon several variables including compensation and length of employment The pension expense for the years ended September 30, 2011 and 2010 was $72,997 and $51,976, respectively.

The Hospital has accrued $20,000 at September 30, 2011 related to contributions owed to employees for the years ended December 31, 2010 and 2009.

11. COMMITMENTS AND CONTINGENCIES:

New England Alliance for Health – The Hospital has been a member of New England Alliance for Health (NEAH) since NEAH's inception on January 1, 2009. As a member, the Hospital receives core services including quality improvement/loss prevention, financial planning and benchmarking, materials management and pharmacy services, professional staff education and development, information services and program administration. The Hospital paid NEAH approximately $146,000 for services and insurance during 2011.

Effective October 1, 2008, the Hospital insures its comprehensive general liability and professional liability exposures on a claims-made basis, including prior acts coverage, with a commercial carrier. The coverage is provided by primary and excess insurance policies subject to shared policy limits with other selected NEAH entities (nine other healthcare entities located in Massachusetts, New Hampshire and Vermont). The policies are renewable on an annual basis and have been renewed through September 30, 2012. All known significant asserted and unasserted claims alleging malpractice have been communicated to the insurer who is responsible for resolving the claim and the related costs of litigation. An event is insured at the time it is reported to the insurer even if a claim is not yet asserted. There were no known claims outstanding at September 30, 2011, which in the opinion of management, will be settled for amounts in excess of insurance coverage, nor are there any unasserted claims or incidents which require loss accrual.

Operating Leases – The Hospital leases various equipment and facilities under operating leases expiring at various dates through 2015. Total rental expense was $341,753 and $356,515 for the years ended September 30, 2011 and 2010, 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:

2012	$ 249,432
2013	45,144
2014	40,848
2015	10,212
Total future minimum lease payments	$ 345,636

11. COMMITMENTS AND CONTINGENCIES (continued):

Ambulance – Effective October 1, 2008, the Hospital transferred all assets of their ambulance department to an outside service provider. The Hospital will no longer provide ambulance service to the surrounding area. All of the Hospital's assets, including supplies, minor equipment and vehicles, will be donated to the outside service provider. The Hospital has paid $25,000 and $30,000 in 2011 and 2010, respectively, for ambulance support. The Hospital has not yet committed to providing ambulance support during fiscal year 2012.

Home Health Agency – Effective July 1, 2010, the Hospital terminated its home health agency services and the employees and services were transferred to an organization controlled by Weeks Medical Center.

Health Insurance – The Hospital switched from an HMO medical plan to a HMO and Health Savings Account (HSA) plan on March 1, 2009. On January 1, 2010, the Hospital added another HSA plan. Effective December 31, 2010, the Hospital stopped contributing to employees' HSAs. The Hospital pays a percentage of insurance premiums for full-time and part-time employees. If an employee chose the HSA plan with a lower premium, the difference between the amount the Hospital paid towards the HMO plan and the amount paid towards the HSA plan is deposited in the employee's HSA at a local bank. As of September 2011 and 2010, the amount deposited into the local bank was $17,833 and $68,881, respectively.

Outsourcing and Statement Processing Agreement – The Hospital has two year-to-year agreements with the same company that are automatically extended for business office outsourcing support services and statement processing. The agreements can be terminated by either party with 60 days written notice to the other party of its intent to terminate as of such expiration date. Under the business office outsourcing support services agreement, the Hospital agrees to pay a percentage of total cash collections under this agreement. Under the statement processing agreement, the Hospital agrees to pay an amount per statement/collection letter processed and patient friendly billing statement. The Hospital expensed $421,381 and $416,325 under these agreements for the years ended September 30, 2011 and 2010, respectively.

Contractual Services – During 2011, the Hospital was receiving consulting chief financial officer services under a contract rate based on a daily rate. A total of $83,265 was expensed under this contract for the year ended September 30, 2011. The contract was terminated during the year and was replaced by a new contract with Weeks Medical Center.

The Hospital is currently receiving limited management services from Weeks Medical Center, a neighboring hospital, located in Lancaster, New Hampshire. These services consist of limited financial management oversight two days per week. The Hospital pays for these services based on the allocated salary and benefits of the personnel performing these services, which were $16,822 for the year ended September 30, 2011.

The Hospital also had a contract for its chief executive officer during the year. The Hospital expensed $156,711 for the year ended September 30, 2011 for these services.

Reorganization – It is contemplated that a limited liability company, Northern New Hampshire Healthcare Collaborative, LLC (LLC), will be formed during fiscal year 2012. The Hospital, Weeks Medical Center and Androscoggin Valley Hospital will all be equal members. The LLC was formed for the purpose of pursuing potential collaborative initiatives to promote and enhance efficient future access to health care services. The LLC will provide management services to the Hospital in place of the current services received from Weeks Medical Center.

12. DEFERRED REVENUE:

The Hospital has been awarded various grants to provide health programs for low-income, uninsured and underinsured individuals in the Upper Connecticut River Valley, and to prepare the Hospital for a bioterrorism event. The Hospital also received grants from the State of New Hampshire for home health services for certain individuals within the contract guidelines. Monies received and contracts awarded, but not yet earned, have been recorded as deferred revenue At September 30, 2011 and 2010, $24,790 and $85,173, respectively, is included in deferred revenue related to these grants.

13. RELATED PARTIES:

Related Party Transactions – The Hospital purchases the following services through Mary Hitchcock Memorial Hospital (MHMH) and Dartmouth-Hitchcock Clinic (Clinic). Dartmouth Hitchcock Alliance (DHA) was formerly the sole member of the Hospital but the Hospital reorganized in 2009 and the relationship with DHA was terminated DHA was directly affiliated through MHMH and the Clinic. In 2009, the Hospital joined New England Alliance for Health (NEAH), an LLC owned and managed by MHMH, and pays dues for services to improve the quality of care and contain health care costs. Weeks Medical Center, Androscoggin Valley Hospital, MHMH and Dartmouth-Hitchcock Clinic for the years ended September 30, 2011 and 2010 which include:

	2011	2010
Weeks Medical Center		
Financial and health care services	$ 29,910	$ 6,497
Androscoggin Valley Hospital		
Health care and laundry services	465,757	503,567
Mary Hitchcock Memorial Hospital		
Financial and health care services	16,161	126,101
Dartmouth-Hitchcock Clinic		
Health care services	19,117	21,029

As of September 30, 2011 and 2010, related party liabilities of $87,144 and $0, respectively, are included in accounts payable and accrued expenses from Androscoggin Valley Hospital, Dartmouth-Hitchcock Clinic, Mary Hitchcock Memorial Hospital and Weeks Medical Center. As of September 30, 2011 and 2010, $48,346 and $0, respectively, of related party receivables from Weeks Medical Center and Androscoggin Valley Hospital is included in other accounts receivable.

14. TEMPORARILY RESTRICTED NET ASSETS:

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

	2011	2010
Indigent care	$ 440,288	$ 569,177
Endowment accumulated earnings	58,060	55,929
Other	586,943	679,205
	$ 1,085,291	$ 1,304,311

During 2011 and 2010, net assets were released from restriction for capital expenditures in the amount of $103,371 and $121,838, respectively

15. PERMANENTLY RESTRICTED NET ASSETS:

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

	2011	2010
Investments to be held in perpetuity, the income from which is expendable to support health care services (reported as nonoperating income)	$ 69,185	$ 69,185

16. FUNCTIONAL EXPENSES:

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

	2011	2010
Health care services	$ 11,499,794	$ 11,547,232
General and administrative	2,873,227	2,734,288
	$ 14,373,021	$ 14,281,520

17. CONCENTRATION OF CREDIT RISK:

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

	2011	2010
Medicare	38%	38%
Medicaid	12%	11%
Blue Cross	11%	9%
Health maintenance organizations	18%	14%
Patient and other third-party payors	21%	28%
	100%	100%

18. ESTIMATED THIRD-PARTY SETTLEMENTS:

Provision has been made for estimated adjustments that may result from final settlement of reimbursable amounts as may be required upon completion and audit of related cost finding reports under terms of contracts with the Center for Medicare and Medicaid Services and the New Hampshire Division of Welfare (Medicaid).

Revenue from the Medicare and Medicaid program accounted for approximately 67 percent of the Hospital's gross patient revenue for the year ended 2011. 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 net patient service revenue increased approximately $224,000 due to adjustments to allowances previously estimated that are no longer necessary as a result of final settlements and adjustments based upon filed cost reports.

19. MEDICAID ENHANCEMENT TAX:

Medicaid disproportionate share hospital (DSH) payments provide financial assistance to hospitals that serve a large number of low-income patients. The federal government distributes federal DSH funds to each state based on a statutory formula. The states, in turn, distribute their portion of the DSH funding among qualifying hospitals. The states are to use their federal DSH allotments to help cover costs of hospitals that provide care to low-income patients when those costs are not covered by other payers.

19. MEDICAID ENHANCEMENT TAX (continued):

Effective June 20, 1991, the State of New Hampshire imposed a tax on the gross patient service revenue of every hospital in the state. The monies generated by this tax and from federal matching funds are then disbursed to the hospitals in support of health care services to Medicaid and low-income individuals. The tax is based upon net patient service revenue. In addition, the Hospital received a supplemental payment of $1,500,000 in November 2010 from the State of which $375,000 had been recorded in fiscal 2010 and the balance in 2011. This payment was received from the State for the State's fiscal year covering July 1, 2010 to June 30, 2011. The Hospital identifies the Medicaid enhancement tax paid to the State of New Hampshire as a separate expense line item and the disproportionate share payment received in net patient service revenue. A summary of the tax paid by the Hospital and monies received from the state is presented below:

	2011	2010
State funds received or accrued	$ 1,547,225	$ 953,697
Medicaid assessment paid or accrued	637,827	743,001
Disproportionate share	$ 909,398	$ 210,696

20. SUBSEQUENT EVENTS:

These statements have been prepared in accordance with FASB ASC Subtopic 855-50, *Subsequent Events*. The statement requires the Hospital to recognize the effect of events that occur after the statement of financial position date, September 30, 2011, but before the financial statements are available to be issued only if they provide additional evidence about a condition that existed as of September 30, 2011. In addition, the statement requires disclosure consideration of significant subsequent events related to conditions that did not exist as of the statement of financial position date but in effect make the financial statements misleading if not disclosed to the user. In addition, Subtopic 855-50 requires the Hospital to disclose the date at which the financial statements were issued or were made available for issue (December 23, 2011) and how the date was determined.

The Hospital has reviewed events occurring after September 30, 2011 through December 23, 2011, the date the board of trustees accepted the final draft of the financial statements and made them available to be issued. The Hospital does not believe that any events requiring recognition or disclosure have occurred between the period of September 30, 2010 and the report date, December 23, 2011. The Hospital has not reviewed events occurring after the report date for their potential impact on the information contained in these financial statements.

As a result of recent volatility in the market, there is a reasonable possibility that changes in the fair value of investments may occur after the date of the accompanying financial statements. These potential changes may result in additional changes in unrealized gains (losses) on investments subsequent to year end and are unrecognized in these financial statements.

UPPER CONNECTICUT VALLEY HOSPITAL ASSOCIATION **SCHEDULE 1**
PATIENT SERVICE REVENUE
FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010

	2011			2010		
	INPATIENT	OUTPATIENT	TOTAL	INPATIENT	OUTPATIENT	TOTAL
DAILY PATIENT SERVICES						
Room charges	$ 1,495,143	$ -	$ 1,495,143	$ 1,495,851	$ -	$ 1,495,851
Swing bed room charges	451,922	-	451,922	499,320	-	499,320
Hospitalist physician fees	329,601	91,335	420,936	324,655	84,479	409,134
	2,276,666	91,335	2,368,001	2,319,826	84,479	2,404,305
OTHER NURSING SERVICES						
Operating room	23,449	1,151,933	1,175,382	97,379	888,943	986,322
Emergency room	54,419	3,081,775	3,136,194	86,495	2,902,925	2,989,420
Observation/holding room	-	338,758	338,758	-	332,905	332,905
Recovery room	575	4,126	4,701	1,103	19,963	21,066
	78,443	4,576,592	4,655,035	184,977	4,144,736	4,329,713
OTHER PROFESSIONAL SERVICES						
Laboratory	462,286	3,323,126	3,785,412	395,110	3,066,853	3,461,963
Pharmacy and IV therapy	1,084,234	3,652,294	4,736,528	1,062,832	3,771,450	4,834,282
Radiology	362,089	4,622,969	4,985,058	350,506	4,807,078	5,157,584
Anesthesiology	3,220	104,876	108,096	18,899	113,097	131,996
Cardiology	78,013	313,585	391,598	52,984	292,167	345,151
Echocardiology	84,480	450,440	534,920	59,352	405,225	464,577
Blood bank	74,643	111,290	185,933	56,256	123,083	179,339
Fetal and holter monitor	-	52,879	52,879	1,658	34,014	35,672
Central services and supply	24,646	178,495	203,141	59,030	180,168	239,198
Walk-in clinic	-	115,406	115,406	-	112,974	112,974
Physical therapy	123,683	1,111,424	1,235,107	133,891	1,013,516	1,147,407
Speech therapy	7,149	22,729	29,878	10,050	19,710	29,760
Respiratory therapy	254,402	105,127	359,529	302,007	84,636	386,643
Surgical practice	10,690	430,262	440,952	29,289	489,985	519,274
Occupational therapy	101,151	258,809	359,960	101,611	212,688	314,299
Oncology	-	23,382	23,382	-	26,301	26,301
Other ancillary nursing	3,938	37,371	41,309	5,654	38,176	43,830
	2,674,624	14,914,464	17,589,088	2,639,129	14,791,121	17,430,250
HOME HEALTH SERVICES						
Skilled nursing	-	-	-	-	334,488	334,488
Other services and revenue	-	-	-	-	345,088	345,088
	-	-	-	-	679,576	679,576
	$ 5,029,733	$ 19,582,391	$ 24,612,124	$ 5,143,932	$ 19,699,912	$ 24,843,844

UPPER CONNECTICUT VALLEY HOSPITAL ASSOCIATION **SCHEDULE 2**

DEDUCTIONS FROM REVENUES AND OTHER OPERATING REVENUES

FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010

	2011	2010
GROSS REVENUE (Schedule 1)	$ 24,612,124	$ 24,843,844
MEDICAID DISPROPORTIONATE SHARE PAYMENTS	1,547,225	953,697
DEDUCTIONS FROM REVENUES.		
Contractual allowances -		
Medicare	6,046,115	5,010,021
Medicaid	2,224,280	2,416,869
Blue Cross	509,223	911,057
Other	1,031,580	1,230,127
	9,811,198	9,568,074
PROVISION FOR BAD DEBT	1,249,259	1,284,760
CHARITY CARE	789,632	918,308
NET PATIENT SERVICE REVENUE	$ 14,309,260	$ 14,026,399
OTHER OPERATING REVENUES:		
Grant revenues	$ 28,841	$ 5,282
School nursing services	169,804	141,644
Other	190,702	168,389
Cafeteria	32,648	34,981
Medical records services	3,316	2,823
	$ 425,311	$ 353,119

UPPER CONNECTICUT VALLEY HOSPITAL ASSOCIATION
OPERATING EXPENSES
FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010

SCHEDULE 3

	2011				2010			
	Salaries and Wages	Professional Fees and Wages	Other General and Administrative	Total	Salaries and Wages	Professional Fees and Wages	Other General and Administrative	Total
PROFESSIONAL CARE OF PATIENTS.								
Nursing medical - surgery	$ 1,288,289	$ -	$ 235,944	$ 1,524,233	$ 1,182,620	$ -	$ 332,411	$ 1,515,031
Nursing administration	107,767	-	3,308	111,075	102,228	-	2,081	104,309
Med/Surg supplies sold	44,436	-	112,088	156,524	37,028	-	123,563	160,591
Holter Monitor	-	-	7,141	7,141	-	-	4,180	4,180
Stress Test	-	-	63	63	-	-	1,794	1,794
Special care unit	-	-	-	-	-	-	592	592
Operating room	67,498	130,725	37,222	235,445	61,127	124,313	47,919	233,359
Emergency room	406,039	671,523	277,672	1,355,234	432,265	783,004	86,356	1,301,625
Anesthesia	-	85,964	2,838	88,802	3,000	77,234	3,288	83,522
Oncology	59,610	-	1,879	61,489	59,316	-	853	60,169
Pathology	-	-	9,705	9,705	-	-	5,573	5,573
Radiology	227,126	115,168	417,489	759,783	227,072	120,858	403,463	751,393
Laboratory	297,231	19,117	522,343	838,691	276,239	21,029	491,483	788,751
Cardiology	-	-	29,464	29,464	-	-	28,651	28,651
Cardiac rehabilitation	-	-	3,120	3,120	-	-	6,890	6,890
Physical therapy	-	445,292	40,818	486,110	-	402,341	45,023	447,364
Orthopedic practice	19,551	181,251	25,889	226.691	36,600	184,924	8,012	229,536
Speech therapy	-	6,613	-	6.613	-	7,550	-	7,550
Recovery room	3,585	-	1,397	4,982	6,154	-	1,821	7,975
Inhalation therapy	-	-	9,376	9,376	-	-	10,221	10,221
Intravenous therapy	-	-	6,054	6.054	-	-	13,503	13,503
Pharmacy	211,607	-	696,864	908,471	212,860	-	746,445	959,305
Ambulance service	-	-	25,920	25,920	-	-	30,000	30,000
Central supply	8,045	-	4,441	12,486	4,547	-	6,819	11,366
Home Health	2,006	-	7,154	9,160	281,775	-	193,980	475,755
Activities	27,297	-	1,303	28,600	28,018	-	2,265	30,283
Hospitalist	-	517,915	20,497	538,412	-	259,944	-	259,944
General surgery office practice	135,742	-	9,478	145,220	102,844	-	425	103,269
	2,905,829	2,173,568	2,509,467	7,588,864	3,053,693	1,981,197	2,597,611	7,632,501
DIETARY SERVICES	$ 176,784	$ -	$ 109,441	$ 286,225	$ 150,161	$ -	$ 99,033	$ 249,194

UPPER CONNECTICUT VALLEY HOSPITAL ASSOCIATION
OPERATING EXPENSES
FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010

SCHEDULE 3

	2011				2010			
	Salaries and Wages	Professional Fees and Wages	Other General and Administrative	Total	Salaries and Wages	Professional fees and Wages	Other General and Administrative	Total
GENERAL SERVICES:								
Housekeeping	$ 83,709	$ -	$ 22,061	$ 105,770	$ 86,708	$ -	$ 30,761	$ 117,469
Laundry	5,995	-	41,648	47,643	5,239	-	43,046	48,285
Plant operation	160,520	-	378,059	538,579	147,242	-	356,389	503,631
	250,224	-	441,768	691,992	239,189	-	430,196	669,385
ADMINISTRATIVE SERVICES:								
Administration	327,743	-	663,851	991,594	382,169	-	482,014	864,183
Health information management	141,376	-	66,965	208,341	136,466	-	63,666	200,132
Patient accounts	123,950	-	509,056	633,006	131,463	-	534,922	666,385
General accounting	143,747	-	10,355	154,102	129,454	-	11,284	140,738
Human resources	50,072	-	29,134	79,206	48,213	-	16,983	65,196
Information systems support	153,666	-	61,500	215,166	151,365	-	38,283	189,648
Care Management	179,795	-	5,345	185,140	119,913	-	2,435	122,348
Telephone	-	-	52,813	52,813	-	-	75,896	75,896
Insurance	-	-	96,716	96,716	-	-	110,505	110,505
School and other nursing services	140,247	-	1,179	141,426	131,232	-	2,936	134,168
Community Wellness/Grants	13,632	-	63,600	77,232	14,332	-	69,490	83,822
Quality Improvement	24,372	-	18,552	42,924	24,294	-	14,646	38,940
Medical Director	-	67,645	-	67,645	-	72,666	-	72,666
	1,298,600	67,645	1,579,066	2,945,311	1,268,901	72,666	1,423,060	2,764,627
	4,631,437	2,241,213	4,639,742	11,512,392	4,711,944	2,053,863	4,549,900	11,315,707
EMPLOYEE BENEFITS								
Employee health/workers comp insurance	-	-	1,023,645	1,023,645	-	-	971,149	971,149
Payroll taxes	-	-	393,172	393,172	-	-	402,295	402,295
Pension	-	-	72,997	72,997	-	-	51,976	51,976
	-	-	1,489,814	1,489,814	-	-	1,425,420	1,425,420
DEPRECIATION	-	-	716,683	716,683	-	-	727,526	727,526
INTEREST	-	-	16,305	16,305	-	-	69,866	69,866
	$ 4,631,437	$ 2,241,213	$ 6,862,544	$ 13,735,194	$ 4,711,944	$ 2,053,863	$ 6,772,712	$ 13,538,519