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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
MILTON HOSPITAL INC

Doing Business As

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

Room/suite

City or town, state or country, and ZIP + 4
MILTON, MA 02186

D Employer identification number
04-2103604

E Telephone number
(617)696-4600

G Gross receipts $ 68,664,590

F Name and address of principal officer
JOSEPH V MORRISSEY
199 REEDSDALE ROAD
MILTON, MA 02186

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 MILTONHOSPITAL ORG

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation 1952

M State of legal domicile MA

Part I Summary

1 Briefly describe the organization's mission or most significant activities
MILTON HOSPITAL, INC AND AFFILIATES ARE COMMITED TO IMPROVING THE HEALTH OF OUR COMMUNITY BY PROVIDING HIGH QUALITY, PERSONALIZED HEALTH CARE WITH COMPASSION, DIGNITY AND RESPECT FOR PATIENT RIGHTS IN A COST EFFECTIVE AND SAFE ENVIRONMENT, THE HOSPITAL STRIVES TO CONTINUOUSLY PROVIDE PERSONALIZED HEALTH CARE WITH COMPASSION, DIGNITY AND RESPECT FOR PATIENT RIGHTS IN A COST EFFECTIVE AND SAFE ENVIRONMENT

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

Activities & Governance

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	19
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	16
5	Total number of individuals employed in calendar year 2010 (Part V, line 2a)	**5**	727
6	Total number of volunteers (estimate if necessary)	**6**	150
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
Revenue			
8	Contributions and grants (Part VIII, line 1h)	328,585	227,658
9	Program service revenue (Part VIII, line 2g)	65,661,678	66,451,485
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	193,994	620,900
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	1,386,865	1,364,547
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	67,571,122	68,664,590
Expenses			
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	0
14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	31,095,201	32,445,984
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	35,425,685	35,757,161
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	66,520,886	68,203,145
19	Revenue less expenses Subtract line 18 from line 12	1,050,236	461,445
Net Assets or Fund Balances		**Beginning of Current Year**	**End of Year**
20	Total assets (Part X, line 16)	101,793,873	97,692,407
21	Total liabilities (Part X, line 26)	68,257,778	70,481,491
22	Net assets or fund balances Subtract line 21 from line 20	33,536,095	27,210,916

Part II Signature Block

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

Sign Here

****** — Signature of officer — 2012-07-24 — Date

JOSEPH V MORRISSEY PRESIDENT — Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name ALAN GAROFALO	Preparer's signature ALAN GAROFALO	Date	Check if self-employed ☐	PTIN
Firm's name ▶ FEELEY & DRISCOLL PC				Firm's EIN ▶
Firm's address ▶ 200 PORTLAND STREET BOSTON, MA 02114				Phone no ▶ (617) 742-7788

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

MILTON HOSPITAL, INC AND AFFILIATES ARE COMMITED TO IMPROVING THE HEALTH OF OUR COMMUNITY BY PROVIDING HIGH QUALITY, PERSONALIZED HEALTH CARE WITH COMPASSION, DIGNITY AND RESPECT FOR PATIENT RIGHTS IN A COST EFFECTIVE AND SAFE ENVIROMENT, THE HOSPITAL STRIVES TO CONTINUOUSLY PERSONALIZED HEALTH CARE WITH COMPASSION, DIGNITY AND RESPECT FOR PATIENT RIGHTS IN A COST EFFECTIVE AND SAFE ENVIROMENT

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 $ 32,206,283 including grants of $) (Revenue $ 30,080,040)

INPATIENT HEALTHCARE SERVICES - PROVIDING GENERAL MEDICAL AND SURGICAL INPATIENT CARE FOR PEOPLE OF ALL AGES IN MILTON, QUINCY, BRAINTREE, RANDOLPH, CANTON, HYDE PARK, DORCHESTER AND OTHER LOCAL COMMUNITIES CONSISTENT WITH OUR CORE VALUES OF PATIENT CONVENIENCE, COMFORT AND CONFIDENTIALITY DURING FY11, MILTON HOSPITAL, INC PROVIDED 16,414 PATIENT DAYS OF INPATIENT SERVICES, WITH 4,522 DISCHARGES

4b (Code) (Expenses $ 17,249,637 including grants of $) (Revenue $ 25,255,708)

OUTPATIENT HEALTHCARE SERVICES - PROVIDING A COMPLETE COMPLEMENT OF OUTPATIENT HEALTH SERVICES FOR PEOPLE OF ALL AGES IN MILTON, QUINCY, BRAINTREE, RANDOLPH, CANTON, HYDE PARK, DORCHESTER AND OTHER LOCAL COMMUNITIES CONSISTENT WITH OUR CORE VALUES OF PATIENT CONVENIENCE, COMFORT AND CONFIDENTIALITY DURING FY11, MILTON HOSPITAL, INC HAD 31,648 OUTPATIENT VISITS

4c (Code) (Expenses $ 7,596,374 including grants of $) (Revenue $ 11,120,140)

EMERGENCY ROOM SERVICES - PROVIDING 24-HOUR EMERGENCY SERVICES IN OUR RENOVATED AND EXPANDED EMERGENCY DEPARTMENT FOR PEOPLE OF ALL AGES IN MILTON, QUINCY, BRAINTREE, RANDOLPH, CANTON, HYDE PARK, DORCHESTER AND OTHER LOCAL COMMUNITIES CONSISTENT WITH OUR CORE VALUES OF PATIENT CONVENIENCE, COMFORT AND CONFIDENTIALITY THESE SERVICES ARE PROVIDED TO ALL PATIENTS REGARDLESS OF THEIR ABILITY TO PAY FOR THE CARE PROVIDED DURING FY11, MILTON HOSPITAL, INC HAD 23,956 EMERGENCY ROOM VISITS, REPRESENTING A 6% INCREASE IN EMERGENCY ROOM VISITS FROM PRIOR YEAR

4d Other program services (Describe in Schedule O)

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

4e **Total program service expenses** ▶ $ 57,052,294

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete Schedule B, Schedule of Contributors (see instruction)?	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4	Yes	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in term, permanent,or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	Yes	
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line10? *If "Yes," complete Schedule D, Part VI.*	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII.*	11b	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	Yes	
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X.*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X.*	11f	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12a		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional*	12b		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**		No
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	**23**	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b–24d and complete Schedule K. If "No," go to line 25*	**24a**	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	**24c**		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		No
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	**26**		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	**27**		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**		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**	Yes	
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	219		
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	727		
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		
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .		7f		
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	19		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	16		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2			No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? . .	3			No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4			No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .	5			No
6	Does the organization have members or stockholders?	6		Yes	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a		Yes	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons? . .	7b		Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?	8a		Yes	
b	Each committee with authority to act on behalf of the governing body?	8b		Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9			No

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

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

Section C. Disclosure

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

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 ▶

JASON RADZEVICH
MILTON HOSPITAL 199 REEDSDALE RD
MILTON, MA 02186
(617) 696-4600

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) MICHAEL BRADY CHAIRMAN	1 00	X		X				0	0	0
(2) JANE K HODGMAN VICE CHAIRMAN	1 00	X		X				0	0	0
(3) ELLEN NEEDHAM TREASURER	1 00	X		X				0	0	0
(4) KATIE CONLON CLERK	1 00	X						0	0	0
(5) JOSEPH V MORRISSEY PRESIDENT	40 00	X		X				461,949	0	27,731
(6) GEORGE BARRETT MD BOARD MEMBER	1 00	X						0	0	0
(7) CAROL FALLON BOARD MEMBER	1 00	X						0	0	0
(8) FRANK L DAVIS III BOARD MEMBER	1 00	X						0	0	0
(9) CHRISTOPHER HEAVY BOARD MEMBER	1 00	X						0	0	0
(10) MARY JOYCE BOARD MEMBER	1 00	X						0	0	0
(11) BROOK LONGMAID MD BOARD MEMBER	1 00	X						0	0	0
(12) MARIO MARSANO BOARD MEMBER	1 00	X						0	0	0
(13) MITCHELL RABKIN MD BOARD MEMBER	1 00	X						0	0	0
(14) JOHN J LOONEY MD BOARD MEMBER	1 00	X						0	30,000	0
(15) STUART ROSENBERG MD BOARD MEMBER	1 00	X						0	0	0
(16) STANLEY LEWIS MD BOARD MEMBER	1 00	X						0	0	0

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) BRUCE ALEXANDER BOARD MEMBER	1 00	X						0	0	0
(18) ANTHONY CICHELLOE BOARD MEMBER	1 00	X						0	0	0
(19) PATRICK STAPLETON BOARD MEMBER	1 00	X						0	0	0
(20) JAMES C HOLLERAN V P FINANCE	40 00			X				262,934	0	276
(21) JASON RADZEVICH V P FINANCE	40 00			X				172,684	0	125
(22) KATHLEEN M HARRINGTON V P HUMAN RESOURCES	40 00				X			151,297	0	6,960
(23) DORIS SINKEVICH V P NURSING	40 00				X			235,149	0	258
(24) CYNTHIA M PAGE V P CLINCAL SERVICES	40 00					X		135,129	0	17,635
(25) RACHEL KLEIMAN-WEXLER DIRECTOR OF PHARMACY	40 00					X		131,401	0	765
(26) JEAN M FERNANDEZ CHIEF INFO OFFICER	40 00					X		133,791	0	18,410
(27) ROSIE S YANSON REGISTERED NURSE	40 00					X		128,448	0	99
(28) REGINA CARNATHAN REGISTERED NURSE	40 00					X		132,343	0	17,639
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								1,945,125	30,000	89,898

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 ▶ 10

			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
THE CLAFLIN COMPANY 465 WARWICK INDUSTRIAL DRIVE WARWICK, RI 02886	MEDICAL SERVICES	1,869,560
FARNAM STREET FINANCIAL 5850 OPUS PKWY 240 MINNETONKA, MN 55343	LEASE OF MEDICAL EQUIPMENT	971,940
SOUTH SHORE ANESTHESIA ASSOCIATES 163 LIBBEY PARKWAY SUITE 301 WEYMOUTH, MA 02189	ANESTHESIA GROUP	950,000
MEDTRONIC USA 4642 COLLECTIONS CENTER DRIVE CHICAGO, IL 60693	MEDICAL/SURGICAL SUPPLIES	650,694
MEDICAL CARE OF BOSTON MGMT CORP 60 DEDHAM AVE NEEDHAM, MA 02494	PHYSICIAN SERVICES	605,000

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	13,121			
	f All other contributions, gifts, grants, and similar amounts not included above	1f	214,537			
	g Noncash contributions included in lines 1a-1f $					
	h **Total.** Add lines 1a-1f . . . . . ▶		227,658			
Program Service Revenue		Business Code				
	2a NET PATIENT CARE REVEN	623000	65,894,742	65,894,742		
	b OTHER ANCILLARY SERVIC	621110	556,743	556,743		
	c					
	d					
	e					
	f All other program service revenue					
	g **Total.** Add lines 2a–2f . . . . . ▶		66,451,485			
	3 Investment income (including dividends, interest and other similar amounts) . . . . . ▶		218,276			218,276
	4 Income from investment of tax-exempt bond proceeds . . ▶					
	5 Royalties . . . . . ▶					
		(i) Real / (ii) Personal				
	6a Gross Rents	607,810 /				
	b Less rental expenses	/				
	c Rental income or (loss)	607,810 /				
	d Net rental income or (loss) . . . . . ▶		607,810			607,810
		(i) Securities / (ii) Other				
	7a Gross amount from sales of assets other than inventory	396,424 / 6,200				
	b Less cost or other basis and sales expenses	/				
	c Gain or (loss)	396,424 / 6,200				
	d Net gain or (loss) . . . . . ▶		402,624			402,624
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 CAFETERIA/VENDING MAC	722210	282,746			282,746
	b REBATES AND REFUNDS	900099	62,922			62,922
	c EDUCATION INCOME	611710	4,403	4,403		
	d All other revenue		406,666			406,666
	e **Total.** Add lines 11a–11d . . . . . ▶		756,737			
	12 **Total revenue.** See Instructions . . . ▶		68,664,590	66,455,888	0	1,981,044

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.
All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the U S See Part IV, line 21				
2	Grants and other assistance to individuals in the U S See Part IV, line 22				
3	Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	1,270,943		1,270,943	
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	25,887,566	22,256,381	3,631,185	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	527,639	453,770	73,869	
9	Other employee benefits	2,790,722	2,400,021	390,701	
10	Payroll taxes	1,969,114	1,693,438	275,676	
a	Fees for services (non-employees) Management	411,056		411,056	
b	Legal	463,319		463,319	
c	Accounting	268,872		268,872	
d	Lobbying	46,983	46,983		
e	Professional fundraising services *See Part IV, line 17*				
f	Investment management fees	108,333		108,333	
g	Other	7,187,350	6,181,121	1,006,229	
12	Advertising and promotion	454,460		454,460	
13	Office expenses	12,056,226	10,897,148	1,159,078	
14	Information technology	1,147,012	986,430	160,582	
15	Royalties				
16	Occupancy	1,950,199	1,677,171	273,028	
17	Travel	28,290	20,823	7,467	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	40,955	9,513	31,442	
20	Interest	2,443,451	2,101,368	342,083	
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	4,787,287	4,117,067	670,220	
23	Insurance	720,810	720,810		
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a	BAD DEBT EXPENSE	1,996,560	1,996,560		
b	OTHER EXPENSES	1,087,915	935,607	152,308	
c	UNCOMPENSATED CARE	558,083	558,083		
d					
e					
f	All other expenses				
25	**Total functional expenses.** Add lines 1 through 24f	68,203,145	57,052,294	11,150,851	0
26	**Joint costs.** Check here ▶ ☐ if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing			1	
	2	Savings and temporary cash investments		1,401,549	2	932,636
	3	Pledges and grants receivable, net		396,842	3	181,892
	4	Accounts receivable, net		7,045,024	4	7,707,535
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		868,045	5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers, and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Schedule L			6	
	7	Notes and loans receivable, net		1,669,781	7	2,772,579
	8	Inventories for sale or use		1,009,218	8	1,064,611
	9	Prepaid expenses and deferred charges		973,714	9	722,826
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 113,760,946			
	b	Less accumulated depreciation	10b 57,429,802	59,501,589	10c	56,331,144
	11	Investments—publicly traded securities			11	
	12	Investments—other securities See Part IV, line 11		23,750,782	12	22,135,187
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		5,177,329	15	5,843,997
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		101,793,873	16	97,692,407
Liabilities	17	Accounts payable and accrued expenses		7,976,315	17	10,198,484
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		41,285,060	20	40,018,941
	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		6,678,343	23	5,974,673
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities Complete Part X of Schedule D		12,318,060	25	14,289,393
	26	**Total liabilities.** Add lines 17 through 25		68,257,778	26	70,481,491
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		20,968,901	27	15,207,097
	28	Temporarily restricted net assets		9,799,860	28	9,236,485
	29	Permanently restricted net assets		2,767,334	29	2,767,334
		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		33,536,095	33	27,210,916
	34	Total liabilities and net assets/fund balances		101,793,873	34	97,692,407

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	68,664,590
2	Total expenses (must equal Part IX, column (A), line 25)	2	68,203,145
3	Revenue less expenses Subtract line 2 from line 1	3	461,445
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . .	4	33,536,095
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-6,786,624
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	27,210,916

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
MILTON HOSPITAL INC

Employer identification number
04-2103604

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

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

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

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

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

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

_____

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section A. Public Support

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

Section B. Total Support

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

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

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

Section C. Computation of Public Support Percentage

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

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

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

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

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

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

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

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

Section A. Public Support

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

Section B. Total Support

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

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

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

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

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

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

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

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

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SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

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

OMB No 1545-0047

2010

Open to Public Inspection

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

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

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

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

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

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

Name of the organization	Employer identification number
MILTON HOSPITAL INC	04-2103604

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		53,381
j	Total lines 1c through 1i			53,381
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	MILTON HOSPITAL HAS CONTRACTED DURING THE YEAR A CONSULTANT TO DIRECTLY LOBBY FOR HEALTHCARE ISSUES THE HOSPITAL ALSO INDIRECTLY CONTRIBUTES FOR LOBBYING THROUGH MEMBERSHIP DUES PAID TO VARIOUS HEALTHCARE ORGANIZATIONS

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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
MILTON HOSPITAL INC

Employer identification number
04-2103604

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	14,870,910	13,570,314	22,702,395		
b Contributions					
c Investment earnings or losses	-603,914	1,300,596	-1,050,341		
d Grants or scholarships					
e Other expenditures for facilities and programs	541,318		8,081,740		
f Administrative expenses					
g End of year balance	13,725,678	14,870,910	13,570,314		

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

- a Board designated or quasi-endowment ▶ 12 500 %
- b Permanent endowment ▶ 20 200 %
- c Term endowment ▶ 67 300 %

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		1,297,475		1,297,475
b Buildings		65,107,079	20,285,489	44,821,590
c Leasehold improvements		2,815	2,815	0
d Equipment		37,190,821	31,652,346	5,538,475
e Other		10,162,756	5,489,152	4,673,604
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				56,331,144

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) SHORT-TERM INVESTMENTS	10,158,014	F
(B) BOARD DESIGNATED INVESTMENTS	130,938	F
(C) DONOR RESTRICTED INVESTMENTS	11,846,235	F
Total. *(Column (b) should equal Form 990, Part X, col (B) line 12)* ▶	22,135,187	

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

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

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

(a) Description	(b) Book value
(1) DEBT SERVICE RESERVE FUNDS	4,389,724
(2) DEFERRED FINANCING COSTS, NET	417,777
(3) OTHER INTANGIBLE ASSETS	49,000
(4) SECURITY DEPOSITS	105,863
(5) OTHER ASSETS	881,633
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	5,843,997

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

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	
OBLIGATION UNDER CAPITAL LEASE	115,273
PENSION LIABILITY	11,761,753
ASSET RETIREMENT OBLIGATION	126,817
DUE TO THIRD PARTY PAYORS	2,285,550
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	14,289,393

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	68,664,590
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	68,203,145
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	461,445
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	-6,786,624
9	Total adjustments (net) Add lines 4 - 8	9	-6,786,624
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	-6,325,179

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	68,545,732
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	-118,858		
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	-118,858
3	Subtract line **2e** from line **1**			3	68,664,590
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b			
c	Add lines **4a** and **4b**			4c	0
5	Total Revenue Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12)			5	68,664,590

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

1	Total expenses and losses per audited financial statements			1	68,203,145
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	68,203,145
4	Amounts included on Form 990, Part IX, line 25, but not on line **1:**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b			
c	Add lines **4a** and **4b**			4c	0
5	Total expenses Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18)			5	68,203,145

Part XIV Supplemental Information

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

Identifier	Return Reference	Explanation
DESCRIPTION OF INTENDED USE OF ENDOWMENT FUNDS	PART V, LINE 4	THE INTENDED USE OF THE ORGANIZATION'S ENDOWMENT FUNDS ARE DIRECTED IN ACCORDANCE WITH THE DONOR'S INTENT INCLUDING THE PRESERVATION OF THE ORIGINAL GIFT AND VARIOUS PURPOSES
DESCRIPTION OF UNCERTAIN TAX POSITIONS UNDER FIN 48	PART X	THE HOSPITAL HAS BEEN DETERMINED TO BE A NOT-FOR-PROFIT CORPORATION AS DESCRIBED IN SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE (THE 'CODE') AND IS EXEMPT FROM FEDERAL INCOME TAXES ON RELATED INCOME PURSUANT TO SECTION 501(A) OF THE CODE ACCORDINGLY, NO PROVISION FOR FEDERAL INCOME TAXES HAS BEEN RECORDED IN THE ACCOMPANYING FINANCIAL STATEMENTS THE HOSPITAL ANNUALLY EVALUATES ITS TAX STATUS AND TAX POSITIONS TAKEN WITH RESPECT TO ITS OPERATIONS AND FINANCIAL POSITION TAX YEARS FROM 2006 THROUGH THE CURRENT YEAR REMAIN OPEN FOR EXAMINATION BY FEDERAL AND STATE TAXING AUTHORITIES
PART XI, LINE 8 - OTHER ADJUSTMENTS		ADJUSTMENT TO ADDITIONAL MINIMUN PENSION LIABILITY -3,077,345 UNREALIZED UNRESTRICTED APPRECIATION ON INVESTMENTS -233,625 UNREALIZED TEMP RESTRICTED APPRECIATION ON INVESTMENTS 114,768 NET TRANSFER TO AFFILIATES -3,126,698 NET UNREALIZED LOSS ON FUNDS HELD BY OTHERS -463,724

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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
MILTON HOSPITAL INC

Employer identification number
04-2103604

Part I Financial Assistance and Certain Other Community Benefits at Cost

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

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheets 1 and 2)			700,888	146,825	554,063	0 810 %
b Unreimbursed Medicaid (from Worksheet 3, column a)			4,411,840	3,779,385	632,455	0 930 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs			5,112,728	3,926,210	1,186,518	1 740 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)			84,185		84,185	0 120 %
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions to community groups (from Worksheet 8)			7,791		7,791	0 010 %
j **Total** Other Benefits			91,976		91,976	0 130 %
k **Total.** Add lines 7d and 7j			5,204,704	3,926,210	1,278,494	1 870 %

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

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

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

Section A. Bad Debt Expense

				Yes	No
1	Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No 15?		1	Yes	
2	Enter the amount of the organization's bad debt expense (at cost)	2	778,658		
3	Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's financial assistance policy	3	0		
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit				

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	24,959,258		
6	Enter Medicare allowable costs of care relating to payments on line 5	6	23,424,183		
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	1,535,075		
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used				

☐ Cost accounting system ☐ Cost to charge ratio ☑ Other

Section C. Collection Practices

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

Part IV **Management Companies and Joint Ventures**

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

Part V Facility Information

Section A. Hospital Facilities

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

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

	Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
1	MILTON HOSPITAL INC 199 REEDSDALE ROAD MILTON,MA 02186	X	X					X		

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 3C THE HOSPITAL FOLLOWS THE COMMONWEALTH OF MA (DHCFP'S) REGULATIONS FOR ELIGIBILITY FREE & DISCOUNTED CARE THE REGULATIONS DO CONSIDER FEDERAL POVERTY GUIDELINES IN DETERMINING ELIGIBILITY FOR SERVICES

Identifier	ReturnReference	Explanation
		PART I, LINE 7 THE COST/CHARGE RATIO WAS DERIVED FROM THE FY 11 DHCFP 403 COST REPORT SCHEDULE II

Identifier	ReturnReference	Explanation
		PART III, LINE 4 THE HOSPITAL PROVIDES AN ALLOWANCE FOR DOUBTFUL ACCOUNTS EQUAL TO ESTIMATED BAD DEBT LOSSES THE ESTIMATED LOSSES ARE BASED UPON HISTORICAL COLLECTION EXPERIENCE TOGETHER WITH A REVIEW OF THE CURRENT STATUS OF THE EXISTING RECEIVABLES THE BAD DEBT COST IS BASED ON THE COST/CHARGE RATIO WHICH WAS DERIVED FROM THE FY 11 DHCFP 403 COST REPORT SCHEDULE II

Identifier	ReturnReference	Explanation
		PART III, LINE 8 THE ALLOCATION OF COSTS TO THE MEDICARE PROGRAM IS BASED ON MEDICARE CHARGES TO TOTAL CHARGES FROM THE FY 10 HCFA-2552 THERE IS NO MEDICARE SHORTFALL FOR THIS YEAR TO REPORT AS A COMMUNITY BENEFIT

Identifier	ReturnReference	Explanation
		PART III, LINE 9B THESE PATIENTS WOULD BE EXCLUDED FROM THE COLLECTION PROCESS BASED ON MUCH THEY WOULD BE ELIGIBLE FOR FINANCIAL ASSISTANCE

Identifier	ReturnReference	Explanation
MILTON HOSPITAL, INC		PART V, SECTION B, LINE 19D THE HOSPITAL CHARGES ALL PATIENTS THE PUBLISHED RATES BASED ON THE HOSPITAL'S CHARGE MASTER WHEN IT HAS BEEN DETERMINED THAT A PATIENT NEEDS A DISCOUNT, A DISCOUNTED RATE IS DETERMINED AND APPLIED TO THE TOTAL CHARGE TO REDUCE THE AMOUNT OWED BY THE PATIENT

Identifier	ReturnReference	Explanation
MILTON HOSPITAL, INC		PART V, SECTION B, LINE 20 THE HOSPITAL CHARGES ALL PATIENTS THE PUBLISHED RATES BASED ON THE HOSPITAL'S CHARGE MASTER WHEN IT HAS BEEN DETERMINED THAT A PATIENT NEEDS A DISCOUNT, A DISCOUNTED RATE IS DETERMINED AND APPLIED TO THE TOTAL CHARGE TO REDUCE THE AMOUNT OWED BY THE PATIENT

Identifier	ReturnReference	Explanation
MILTON HOSPITAL, INC		PART V, SECTION B, LINE 21 THE HOSPITAL CHARGES ALL PATIENTS THE PUBLISHED RATES BASED ON THE HOSPITAL'S CHARGE MASTER WHEN IT HAS BEEN DETERMINED THAT A PATIENT NEEDS A DISCOUNT, A DISCOUNTED RATE IS DETERMINED AND APPLIED TO THE TOTAL CHARGE TO REDUCE THE AMOUNT OWED BY THE PATIENT

Identifier	ReturnReference	Explanation
		PART VI, LINE 2 THE HOSPITAL'S LAST ASSESSMENT WAS COMPLETED IN 2008 USING DATA COLLECTED FROM THE HOSPITAL'S PRIMARY & SECONDARY SERVICE TOWNS IN COLLABORATION WITH A RESEARCH FIRM CURRENTLY THE HOSPITAL IS WORKING WITH GRADUATE STUDENTS FROM BOSTON UNIVERSITY'S SCHOOL OF PUBLIC HEALTH TO DETERMINE ITS CURRENT NEEDS IN THE COMMUNITY

Identifier	ReturnReference	Explanation
		PART VI, LINE 3 THE HOSPITAL POSTS INFORMATION ABOUT FINANCIAL ASSISTANCE PROGRAMS THROUGHOUT THE HOSPITAL DURING THE REGISTRATION PROCESS, THE PATIENT IS NOTIFIED THAT THEY MAY BE ELIGIBLE FOR FINANCIAL ASSISTANCE IF THEY DO NOT HAVE INSURANCE IN ADDITION, THE PATIENT IS NOTIFIED ON THEIR BILL TO CONTACT THE HOSPITAL'S CREDIT OFFICE TO PURSUE ASSISTANCE PROGRAMS THEY FEEL THEY MAY BE ELIGIBLE FOR

Identifier	ReturnReference	Explanation
		PART VI, LINE 4 MILTON HOSPITAL SERVES BOTH AN URBAN & SUBURBAN COMMUNITY SOUTH OF BOSTON LARGE PORTIONS OF THE HOSPITAL'S PATIENTS ARE MEDICARE, THE HOSPITAL ALSO SERVES PATIENTS WHOM ARE UNINSURED OR QUALIFY FOR MEDICAID

Identifier	ReturnReference	Explanation
		PART VI, LINE 6 ALMOST ALL THE HOSPITAL'S GOVERNING BODY RESIDES IN THE PRIMARY & SECONDARY SERVICE AREA MILTON HOSPITAL EXTENDS PRIVILEGES TO ALL HEALTH CARE PROVIDERS/PHYSICIANS WHOM QUALIFY BASED ON ITS MEDICAL CREDENTIALING POLICIES

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

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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.

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2010

Open to Public Inspection

Name of the organization
MILTON HOSPITAL INC

Employer identification number
04-2103604

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) JOSEPH V MORRISSEY	(i)	461,949	0	0	0	27,731	489,680	0
	(ii)	0	0	0	0	0	0	0
(2) JAMES C HOLLERAN	(i)	262,934	0	0	0	276	263,210	0
	(ii)	0	0	0	0	0	0	0
(3) JASON RADZEVICH	(i)	172,684	0	0	0	125	172,809	0
	(ii)	0	0	0	0	0	0	0
(4) KATHLEEN M HARRINGTON	(i)	151,297	0	0	0	6,960	158,257	0
	(ii)	0	0	0	0	0	0	0
(5) DORIS SINKEVICH	(i)	235,149	0	0	0	258	235,407	0
	(ii)	0	0	0	0	0	0	0
(6) CYNTHIA M PAGE	(i)	135,129	0	0	0	17,635	152,764	0
	(ii)	0	0	0	0	0	0	0
(7) JEAN M FERNANDEZ	(i)	133,791	0	0	0	18,410	152,201	0
	(ii)	0	0	0	0	0	0	0
(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 K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Schedule O (Form 990).
▶ Attach to Form 990. ▶ See separate instructions.

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Open to Public Inspection

Name of the organization
MILTON HOSPITAL INC

Employer identification number
04-2103604

Part I Bond Issues

	(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	MASSACHUSETTS HEALTH & EDUCATIONAL FACILITIES AUTHORITY	04-2456011	57586CNM3	11-01-2005	32,620,479	MHEFA SERIES D BONDS FOR CAPITAL EXPENDITURES		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired				
2	Amount of bonds legally defeased				
3	Total proceeds of issue	34,392,687			
4	Gross proceeds in reserve funds	1,773,293			
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrow				
7	Issuance costs from proceeds	593,056			
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds	28,410,735			
11	Other spent proceeds				
12	Other unspent proceeds				
13	Year of substantial completion	2010			

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

Part III Private Business Use

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

Part III Private Business Use *(Continued)*

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

Part IV Arbitrage

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

Part V Supplemental Information

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

Identifier	Return Reference	Explanation

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Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

▶ Complete if the organization answered "Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V lines 38a or 40b.
▶ Attach to Form 990 or Form 990-EZ. ▶See separate instructions.

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Name of the organization
MILTON HOSPITAL INC

Employer identification number
04-2103604

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

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

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

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

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

Part II Loans to and/or From Interested Persons.

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

(a) Name of interested person and purpose	(b) Loan to or from the organization? To	(b) From	(c) Original principal amount	(d) Balance due	(e) In default? Yes	(e) No	(f) Approved by board or committee? Yes	(f) No	(g) Written agreement? Yes	(g) No
Total . . . . . ▶ $										

Part III Grants or Assistance Benefitting Interested Persons.

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

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

Part IV **Business Transactions Involving Interested Persons.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) BRUCE ALEXANDER	BOARD MEMBER	49,956	PURCHASED INSURANCE FROM B R ALEXANDER & CO		No
(2) MARK T HODGMAN	MARK IS THE HUSBAND OF A BOARD MEMBER, JANE HODGMAN	30,000	MARK T HODGMAN WAS PAID BY THE ORGANIZATION FOR HIS POSITION AS CHIEF OF MEDICINE		No

Part V **Supplemental Information**

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

Identifier	Return Reference	Explanation

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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

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2010

Open to Public Inspection

Name of the organization
MILTON HOSPITAL INC

Employer identification number
04-2103604

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 6		MILTON HOSPITAL FOUNDATION, INC IS THE SOLE MEMBER OF THE ORGANIZATION AND ELECTS THE BOARD OF DIRECTORS THERE ARE NO CLASSES OF DIRECTORS MILTON HOSPITAL FOUNDATION, INC HAS THE POWER TO REMOVE DIRECTORS, TO FILL VACANCIES, AND TO INCREASE OR DECREASE THE SIZE OF THE BOARD

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7A		MILTON HOSPITAL FOUNDATION, INC IS THE SOLE MEMBER OF THE ORGANIZATION AND ELECTS THE BOARD OF DIRECTORS THERE ARE NO CLASSES OF DIRECTORS MILTON HOSPITAL FOUNDATION, INC HAS THE POWER TO REMOVE DIRECTORS, TO FILL VACANCIES, AND TO INCREASE OR DECREASE THE SIZE OF THE BOARD

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7B		MILTON HOSPITAL FOUNDATION, INC IS THE SOLE MEMBER OF THE ORGANIZATION AND ELECTS THE BOARD OF DIRECTORS THERE ARE NO CLASSES OF DIRECTORS MILTON HOSPITAL FOUNDATION, INC HAS THE POWER TO REMOVE DIRECTORS, TO FILL VACANCIES, AND TO INCREASE OR DECREASE THE SIZE OF THE BOARD

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11		THE ORGANIZATION PREPARES THE FORM 990 AND THE RELATED DISCLOSURES WITH ASSISTANCE AND GUIDANCE FROM THE HOSPITAL'S TAX ADVISORS (CPA FIRM) THE FORM 990 IS REVIEWED BY THE ENTITIES MANAGEMENT TEAM PRIOR TO SUBMISSION TO THE BOARD OF DIRECTORS AND THE IRS

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	THE ORGANIZATION REQUIRES THAT EMPLOYEES, MEMBERS AND OFFICERS OF THE BOARD OF DIRECTORS AND ANY MEMBER OF ANY COMMITTEE DISCLOSE IN WRITING (AND UPDATE ANNUALLY) ALL BUSINESS AND OTHER RELATIONSHIPS WHICH MIGHT POTENTIALLY CREATE A CONFLICT OF INTEREST AS DEFINED BY THE POLICY THE WRITTEN DISCLOSURE SHALL INCLUDE AN ITEMIZATION OF ANY SUBSTANTIVE CONFLICT OF INTEREST FOR SUCH INDIVIDUAL BY VIRTUE OF HIS OR HER ACTIVITIES THE CONFLICT OF INTEREST POLICY IS REVIEWED AND COMMUNICATED TO ENSURE INDIVIDUALS WITH OUTSIDE RELATIONSHIPS DO NOT INAPPROPRIATELY PARTICIPATE IN BUSINESS DECISIONS OF THE ORGANIZATION IN WHICH THEY ARE NOT INDEPENDENT THERE HAVE BEEN NO COMPLIANCE ISSUES TO ADDRESS, HOWEVER IF ONE DID OCCUR MANAGEMENT WOULD INVESTIGATE THE SITUATION AND ADDRESS IT AS DEEMED NECESSARY

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15	THE EXECUTIVE COMMITTEE OF THE BOARD OF DIRECTORS SELECTS AN EXECUTIVE COMPENSATION SURVEY VENDOR TO SUPPLY THE COMMITTEE WITH COMPARATIVE DETAIL ON THE COMPENSATION AND BENEFIT PLAN LEVELS OF THE CEO, CFO AND OTHER SENIOR LEVEL POSITIONS WITHIN THE ORGANIZATION THE COMPARATIVE DATA FROM THIS SURVEY, WHICH INCLUDES ORGANIZATIONAL SIZE AND SCOPE OF RESPONSIBILITIES,IS ASSESSED AND THE EXECUTIVE COMMITTEE THEN DETERMINES THE SALARY LEVEL FOR THE CEO AND CFO

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 19	THE ORGANIZATION MAKES ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY AND FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC UPON REQUEST ADDITIONALLY, THE ORGANIZATION'S FINANCIAL STATEMENTS ARE AVAILABLE ON THE PUBLIC CHARITIES WEBSITE MAINTAINED BY THE COMMONWEALTH OF MASSACHUSETTS ATTORNEY GENERAL

Identifier	Return Reference	Explanation
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	ADJUSTMENT TO ADDITIONAL MINIMUN PENSION LIABILITY -3,077,345 UNREALIZED UNRESTRICTED APPRECIATION ON INVESTMENTS -233,625 UNREALIZED TEMP RESTRICTED APPRECIATION ON INVESTMENTS 114,768 NET TRANSFER TO AFFILIATES -3,126,698 NET UNREALIZED LOSS ON FUNDS HELD BY OTHERS -463,724 TOTAL TO FORM 990, PART XI, LINE 5 -6,786,624

Identifier	Return Reference	Explanation
	FORM 990, PART I, LINE 1 CONTINUATION	ALSO, A PHYSICIAN-LED LECTURE ADDED A FINAL COMPONENT TO MILTON HOSPITAL'S AWARENESS CAMPAIGN TOPICS COVERED INCLUDED THE RISKS OF COLORECTAL CANCER AND THE IMPORTANCE OF COLONOSCOPIES IN EARLY DETECTION AND PREVENTION

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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
MILTON HOSPITAL INC

Employer identification number
04-2103604

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
(1) MILTON HOSPITAL PHYSICIAN ORGANIZATION 199 REEDSDALE ROAD MILTON, MA 02186 04-3213042	PHYSICIAN ORGANIZATION	MA	0	0	MILTON HOSPITAL INC

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) MILTON HOSPITAL FOUNDATION 199 REEDSDALE ROAD MILTON, MA 02186 22-2566792	PROMOTE HEALTHCARE	MA	501(C)3	SUPPORTING - TYPE 1			No
(2) MILTON HOSPITAL DEVELOPMENT FUND 199 REEDSDALE ROAD MILTON, MA 02186 22-2567057	FUNDRAISING	MA	501(C)3	SUPPORTED ORG	MILTON HOSPITAL FOUNDATION		No
(3) COMMUNITY PHYSICIAN ASSOCIATES 199 REEDSDALE ROAD MILTON, MA 02186 04-3243146	PROVIDE MEDICAL CARE	MA	501(C)3	MEDICAL CARE PROVIDE	MILTON HOSPITAL FOUNDATION		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
(1) HORIZON VENTURES 199 REEDSDALE ROAD MILTON, MA02186 04-2853249	PHYSICIAN BILLING	MA	MILTON HOSPITAL FOUNDATION INC	C			

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**	**No**
f	Sale of assets to other organization(s)	**1f**	**No**
g	Purchase of assets from other organization(s)	**1g**	**No**
h	Exchange of assets	**1h**	**No**
i	Lease of facilities, equipment, or other assets to other organization(s)	**1i**	**No**
j	Lease of facilities, equipment, or other assets from other organization(s)	**1j**	**No**
k	Performance of services or membership or fundraising solicitations for other organization(s)	**1k**	**No**
l	Performance of services or membership or fundraising solicitations by other organization(s)	**1l**	**No**
m	Sharing of facilities, equipment, mailing lists, or other assets	**1m**	**No**
n	Sharing of paid employees	**1n**	**No**
o	Reimbursement paid to other organization for expenses	**1o**	**No**
p	Reimbursement paid by other organization for expenses	**1p**	**No**
q	Other transfer of cash or property to other organization(s)	**1q**	**Yes**
r	Other transfer of cash or property from other organization(s)	**1r**	**Yes**

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

	(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				

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

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

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

Part VII Supplemental Information

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

Identifier	Return Reference	Explanation

MILTON HOSPITAL, INC.

FINANCIAL STATEMENTS

SEPTEMBER 30, 2011 AND 2010

MILTON HOSPITAL, INC.

TABLE OF CONTENTS

Feeley & Driscoll, P.C.
Certified Public Accountants / Business Consultants

Board of Directors
Milton Hospital, Inc.
Milton, Massachusetts

Independent Auditors' Report

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

We conducted our audits in accordance with 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Hospital's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 Milton Hospital, Inc. as of September 30, 2011 and 2010, and the results of its operations, changes in net assets, and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Feeley & Driscoll, P.C.

Boston, Massachusetts
December 12, 2011

200 Portland Street • Boston, Massachusetts 02114-1709 • (617) 742-7788
154 Broad Street • Nashua, New Hampshire 03061-3158 • (603) 889-0444
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MILTON HOSPITAL, INC.

Balance Sheets

September 30, 2011 and 2010

ASSETS	2011	2010
Current assets:		
Cash and cash equivalents	$ 932,636	$ 1,401,549
Short-term investments, Board designated	10,158,014	10,892,650
Accounts receivable, less allowance for uncollectible accounts of $1,730,371 and $1,871,138 in 2011 and 2010, respectively	7,707,535	7,045,024
Inventory	1,064,611	1,009,218
Prepaid expenses and other current assets	3,366,717	1,759,407
Current portion of assets whose use is limited	1,034,617	1,189,713
Advances to affiliates	152,993	969,404
Total current assets	24,417,123	24,266,965
Assets whose use is limited or restricted:		
Assets held in trust under indenture agreements	3,512,694	3,514,291
Board designated	130,938	602,461
Donor restricted	11,846,235	12,255,671
Assets whose use is limited or restricted, net of current portion	15,489,867	16,372,423
Property, plant and equipment, net	56,331,144	59,501,589
Other assets.		
Other	1,036,497	1,191,662
Deferred financing costs, net	417,776	461,234
Total other assets	1,454,273	1,652,896
Total assets	$ 97,692,407	$ 101,793,873

LIABILITIES AND NET ASSETS	2011	2010
Current liabilities:		
Note payable - line of credit	$ 1,450,000	$ 1,450,000
Current portion of long-term debt	2,080,911	1,995,687
Bond interest payable	544,529	561,923
Accounts payable and accrued expenses	7,057,795	5,001,768
Accrued salaries and wages	2,596,160	2,412,627
Estimated settlements with third-party payers	2,285,550	2,521,537
Total current liabilities	16,014,945	13,943,542
Long-term debt, net of current portion	42,577,976	44,658,790
Asset retirement obligation	126,817	120,782
Long-term pension liability	11,761,753	9,534,664
Total liabilities	70,481,491	68,257,778
Commitments and contingencies		
Net assets:		
Unrestricted	15,207,097	20,968,901
Temporarily restricted	9,236,485	9,799,860
Permanently restricted	2,767,334	2,767,334
Total net assets	27,210,916	33,536,095
Total liabilities and net assets	$ 97,692,407	$ 101,793,873

See accompanying notes to financial statements.

MILTON HOSPITAL, INC.

Statements of Operations

For the years ended September 30, 2011 and 2010

	2011	2010
Revenue and other support:		
Net patient service revenue	$ 65,775,015	$ 65,022,917
Other revenue	1,934,681	1,968,154
Net assets released from restrictions used in operations	8,707	10,973
Total revenue and other support	67,718,403	67,002,044
Expenses:		
Salaries and wages	27,158,509	26,256,000
Fringe benefits	5,585,843	4,839,270
Professional compensation	4,639,723	4,371,222
Supplies and expenses	21,033,689	20,923,962
Interest	2,443,451	2,541,001
Depreciation and amortization	4,787,287	4,925,650
Health safety net assessment	558,083	592,910
Provision for uncollectible accounts	1,996,559	2,070,871
Total expenses	68,203,144	66,520,886
Income (loss) from operations before adjustment to prior year estimated settlements with third party payors	(484,741)	481,158
Adjustment to prior year estimated settlements with third-party payors	119,727	158,567
Income (loss) from operations	(365,014)	639,725
Nonoperating gains:		
Interest and dividends	169,953	165,245
Realized gains on sales of investments	396,424	9,126
Contributions and other	6,200	(11,526)
Total non-operating gains	572,577	162,845
Excess (deficit) of revenue, other support and gains over expenses and losses	207,563	802,570
Other changes in unrestricted net assets:		
Unrealized gains (losses) on investments	(233,625)	756,379
Net transfers to affiliates	(3,126,698)	(2,731,740)
Net assets released from restrictions for capital acquisition	468,301	180,457
Adjustment to additional minimum pension liability	(3,077,345)	(1,090,725)
	(5,969,367)	(2,885,629)
Increase (decrease) in unrestricted net assets	$ (5,761,804)	$ (2,083,059)

See accompanying notes to financial statements.

MILTON HOSPITAL, INC.

Statements of Changes in Net Assets

For the years ended September 30, 2011 and 2010

	2011	2010
Unrestricted net assets:		
Excess (deficit) of revenue, other support and gains over expenses and losses	$ 207,563	$ 802,570
Unrealized gains (losses) on investments	(233,625)	756,379
Net transfers to affiliates	(3,126,698)	(2,731,740)
Net assets released from restrictions for capital acquisition	468,301	180,457
Adjustment to additional minimum pension liability	(3,077,345)	(1,090,725)
Increase (decrease) in unrestricted net assets	(5,761,804)	(2,083,059)
Temporarily restricted net assets:		
Contributions	214,537	228,585
Investment income	48,054	30,053
Net realized and unrealized gains on investments	114,766	326,890
Net unrealized gains (losses) on funds held in trust	(463,724)	195,752
Net assets released from restrictions	(477,008)	(191,430)
Increase (decrease) in temporarily restricted net assets	(563,375)	589,850
Change in net assets	(6,325,179)	(1,493,209)
Net assets, beginning of year	33,536,095	35,029,304
Net assets, end of year	$ 27,210,916	$ 33,536,095

See accompanying notes to financial statements.

MILTON HOSPITAL, INC.

Statements of Cash Flows

For the years ended September 30, 2011 and 2010

	2011	2010
Cash flows from operating activities:		
Change in net assets	$ (6,325,179)	$ (1,493,209)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	4,743,829	4,886,917
Amortization of deferred financing costs	43,458	38,733
Bond premium amortization	(1,119)	(1,119)
Provision for uncollectible accounts	1,996,559	2,070,871
Unrealized loss (gain) on investments	766,697	(1,263,460)
Restricted contributions and investment income	(262,591)	(258,638)
Realized (gain) loss on investments	(580,538)	(24,687)
Addition to minimum pension liability	3,077,345	1,090,725
Accretion of asset retirement obligation	6,035	5,748
Transfers to affiliates	3,126,698	2,731,740
Increase (decrease) in cash resulting from a change in:		
Accounts receivable	(2,659,070)	(1,790,286)
Inventory	(55,393)	47,122
Prepaid expenses and other current assets	(1,607,310)	214,337
Accounts payable and accrued expenses	2,056,027	451,264
Accrued salaries and wages	183,533	(38,850)
Advances to affiliate	816,411	527,348
Pension liability	(850,256)	(491,343)
Bond interest payable	(17,394)	(16,500)
Estimated settlements with third-party payors	(235,987)	77,055
Net cash provided by operating activities	4,221,755	6,763,768
Cash flows from investing activities:		
Purchases of property, plant and equipment	(1,573,384)	(2,299,832)
Proceeds from (funding of) assets whose use is limited	1,586,129	(163,835)
Transfers to affiliates	(3,126,698)	(2,731,740)
Proceeds from (payments for) other assets	155,165	(10,362)
Net cash used in investing activities	(2,958,788)	(5,205,769)
Cash flows from financing activities:		
Restricted contributions and investment income	262,591	258,638
Principal payments on long-term debt and capital lease obligations	(1,994,471)	(1,926,061)
Net cash used in financing activities	(1,731,880)	(1,667,423)
Net decrease in cash and cash equivalents	(468,913)	(109,424)
Cash and cash equivalents, beginning of year	1,401,549	1,510,973
Cash and cash equivalents, end of year	$ 932,636	$ 1,401,549
Supplemental disclosure of cash flow information:		
Property and equipment acquisitions included in accounts payable and accrued expenses	$ -	$ 62,563
Cash paid for interest, net of amount capitalized	$ 2,476,833	$ 2,573,776
Equipment acquisitions through capital lease obligation	$ -	$ 168,278

See accompanying notes to financial statements.

Note 1 - Operations

Milton Hospital, Inc. (the "Hospital") is a not-for-profit, acute-care hospital located in Milton, Massachusetts. The Hospital provides inpatient, outpatient and emergency care services to residents of Milton, Massachusetts and its surrounding communities. The Hospital's sole corporate member is Milton Hospital Foundation, Inc. (the "Foundation"). The Foundation is also the sole corporate member of Community Physician Associates, Inc. ("CPA") and Milton Hospital Development Fund, Inc. ("Development Fund").

In addition to charity care, the Hospital provides a wide variety of services to the community in order to ensure access to appropriate care for populations in need. Such services include various clinics, health screening programs, health education programs and support groups operated in the Hospital's service area. The Hospital also participates in activities designed to foster a vital local economic and civic environment.

In September 2011, the Hospital and its affiliates entered into an affiliation agreement with Beth Israel Deaconess Medical Center, Inc. and Affiliates. Under the proposed affiliation, the Hospital and its affiliates will become a corporate member of Beth Israel Deaconess Medical Center, Inc. and Affiliates. The anticipated effective date of the affiliation is early 2012.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation - Net assets are classified into permanently restricted, temporarily restricted, and unrestricted net assets, when appropriate, to properly disclose the nature and amount of significant resources that have been restricted in accordance with specified objectives.

Unrestricted net assets represent amounts not restricted for identified purposes by donors or grantors. These amounts are available to be used for the general purposes of the Hospital, and they include investments designated by the board of directors for use at its discretion and assets whose use is limited under an indenture agreement.

Temporarily restricted net assets are those whose use by the Hospital has been limited by donors to a specific period or purpose and include accumulated appreciation (both realized and unrealized) on permanently restricted funds that are not available for current use under the Hospital's spending policy approved by the board of directors. Temporarily restricted net assets are restricted primarily for the purchase of equipment and other fixed assets, funding charity care and specific Hospital programs and support of educational activities.

Permanently restricted net assets have been restricted by donors to be maintained by the Hospital in perpetuity and are comprised of investments and amounts held in trust by Milton Hospital Development Fund, Inc.

Note 2 - Summary of Significant Accounting Policies - Continued

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. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents - Cash and cash equivalents include investments in highly liquid debt instruments with an original maturity of three (3) months or less when purchased, excluding amounts whose use is limited by the Hospital's board of directors' designation or other arrangements under indenture agreements.

Allowance for Doubtful Accounts - The Hospital provides an allowance for doubtful accounts equal to estimated bad debt losses. The estimated losses are based upon historical collection experience together with a review of the current status of the existing receivables.

Inventory - Inventory is stated at cost, which approximates market, and was determined using the first in, first out method. Inventory consists of medical and pharmaceutical supplies.

Fair Value of Financial Instruments - The Hospital determines the fair value of financial instruments and includes this information in the notes to the financial statements when the fair value is materially different than the carrying value of those financial instruments.

Investments - The Hospital records its investment securities at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date. The valuation of investments traded on a national securities exchange is based on closing sale price. Investments in non-marketable investments (alternative investments as described in the American Institute of Certified Public Accountants' document, *A Practice Guide for Auditors. Alternative Investments - Audit Consideration)* are generally carried at fair value estimated by management based on fair values provided by external investment managers. Because these investments are not readily marketable, the estimated value is subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market for the investments existed and such difference could be material. The amount of gain or loss associated with these investments is reflected in the accompanying financial statements based on information provided by the management of the funds. The Hospital believes that the carrying amount of alternative investments is a reasonable estimate of fair value as of September 30, 2011 and 2010.

Investment income or loss (including realized gains and losses on investments, interest and dividends) is included in the excess of revenues over expenses unless the income or loss is restricted by donor or law. Unrealized gains and losses on investments are excluded from the excess of revenues over expenses unless the investments are trading securities or the decline in market value below cost is determined to be other than temporary. On a periodic basis, the Organization reviews significant declines in the value of securities below historical cost and records an impairment charge (included in the performance indicator) for declines determined to be other than temporary.

Note 2 - Summary of Significant Accounting Policies - Continued

Investment income on assets held in trust under long-term debt agreements, to the extent not capitalized, is reported as other revenue. Unrestricted investment income and gains and losses from all other investments are reported as non-operating gains. Restricted investment income and investment gains are reported as additions to the appropriate donor-restricted net assets.

The Hospital has interpreted state law as requiring realized and unrealized gains of permanently restricted net assets to be retained in a temporarily restricted net asset classification until appropriated by the Hospital's board of directors (the "Board") and expended. State law allows the Board to appropriate as much of the net appreciation of permanently restricted net assets as is prudent considering the Hospital's long and short-term needs, present and anticipated financial requirements, expected total return on investments, price-level trends, and general economic conditions.

Assets Whose Use is Limited or Restricted - Assets whose use is limited or restricted (consisting primarily of investments) include: assets set aside by the board of directors over which the board retains control and may, at its discretion, use for various purposes, assets specified by donors or grantors for specific purposes, assets set aside in accordance with loan agreements and assets held in trust by others, including amounts held in trust by Milton Hospital Development Fund, Inc.

Property and Equipment - Property and equipment acquisitions are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. Equipment under capital lease obligations is amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. Expenditures for maintenance and repairs are charged to operations, as incurred.

Long-lived Assets - Long -lived assets to be held and used are reviewed for impairment whenever circumstances indicate that the carrying amount of the asset may not be recoverable. Long-lived assets to be disposed of are recorded at the lower of carrying amount or fair value, less cost to sell.

Deferred Financing Costs - The direct costs incurred in the placement of Massachusetts Health and Educational Facilities Authority Revenue Bonds have been capitalized and are being amortized on a straight-line basis, which approximates the effective interest method, over the term of the related bonds or loans.

Statement of Operations - For purposes of presentation, transactions deemed by management to be ongoing, major or central to the provision of health care services are reported as revenue and expenses. Peripheral or incidental transactions are reported as non-operating gains and losses, which consist primarily of contributions, investment income and realized gains and losses on investments.

Note 2 - Summary of Significant Accounting Policies - Continued

Net Patient Service Revenue - Net patient service revenue is reported at the estimated net realizable amount from patients, third-party payors and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Charity Care - The Hospital provides charity care, without charge, to patients who meet certain criteria under its free care policy. Net patient service revenue in the accompanying financial statements is recorded net of charity care.

Contributions - Contributions received, including pledges, are recorded as revenues in the period received, at their fair values. The Hospital reports gifts of cash and other assets as 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 to unrestricted net assets as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same operating period are presented as unrestricted support. The Hospital reports gifts of property as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Hospital reports expirations of donor restrictions when the donated assets or acquired long-lived assets are placed in service.

Income Taxes - The Hospital has been determined to be a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code (the "Code") and is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. Accordingly, no provision for federal income taxes has been recorded in the accompanying financial statements. The Hospital annually evaluates its tax status and tax positions taken with respect to its operations and financial position.

Excess of Revenue, Other Support and Gains Over Expenses and Losses - The statement of operations includes the excess of revenue, other support and gains over expenses and losses. Changes in unrestricted net assets which are excluded from the excess of revenues, other support and gains over expenses and losses, consistent with industry practice, include unrealized gains and losses on investments, permanent transfers of assets to and from affiliates for other than goods and services, 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), net assets released from restriction for capital acquisition and the change in the additional minimum pension liability not recognized in net periodic pension cost.

Subsequent Events - The Organization has evaluated subsequent events through December 12, 2011, which is the date the financial statements were available for issuance.

Note 3 - Concentration of Credit Risk

Financial instruments that potentially subject the Hospital to a concentration of credit risk are patient accounts receivable, cash and cash equivalents and other interest-bearing investments. The Hospital invests available cash in money market securities of various banks, commercial paper of domestic companies with high credit ratings, mutual funds, alternative investments, marketable securities, and fixed income securities.

The Hospital grants credit, without collateral, to its patients, many of whom are local residents and are insured under third-party payor agreements.

The mix of accounts receivable from patients and third-party payors was as follows as of September 30:

	2011	2010
Medicare	31%	30%
Medicaid	2%	4%
Blue Cross	20%	21%
Health maintenance organizations	15%	16%
Other third-party payors, including commercial	20%	17%
Self-pay	12%	12%
	100%	100%

Management monitors and evaluates its allowance for doubtful accounts to ensure that receivables are stated at their net realizable value. Management believes that the receivable balances from various payors do not represent any concentration of credit risk.

The Hospital has a potential concentration of credit risk in that it maintains deposits with a financial institution in excess of amounts insured by the Federal Deposit Insurance Corporation ("FDIC"). The maximum deposit insurance amount is $250,000 for interest-bearing accounts, which is applied per depositor, per insured depository institution for each account ownership category. Non-interest bearing transaction deposit accounts are provided unlimited insurance coverage through December 31, 2012. As of September 30, 2011 and 2010, the Organization had approximately $1,014,000 and $1,471,000 in excess of FDIC limits.

Note 4 - Uncompensated Care

Charity Care - As a community provider of health care services, the Hospital maintains programs to promote the overall well-being of the community in which it serves. These include: health clinics and screening programs, health education services and support groups, and the provision of inpatient and outpatient hospital services. These services are available to all individuals regardless of their ability to pay for such services. Those unable to pay for the care they receive are eligible to benefit from the Hospital's charity care policy.

In accordance with the Commonwealth of Massachusetts' Health Safety Net ("HSN") guidelines, the Hospital maintains records to identify and monitor the volume of patients to whom it provides free care. These records include completed applications for eligible patients and the dates and amounts for all charges furnished under the Hospital's free care policies and submitted to the HSN.

The following presents the level of free care charges forgone, the costs incurred to provide free care and the Hospital's percentage of free care services provided for the year ended September 30:

	2011	2010
Free care charges based on established rates	$ 1,782,000	$ 2,100,000
Estimated costs and expenses incurred to provide charity care	$ 728,000	$ 875,000
Equivalent percentage of charity care patients to all patients served	1.09%	1.32%

The Hospital's net amount paid to, or reimbursed from, the HSN is based on the relationship between the Hospital's private sector (i.e., non-governmental) charges and those charges recognized and adjudicated by HSN as free care. The following detail identifies the total amount paid to the HSN along with the amount received as reimbursement for providing free care services during the years ended September 30:

	2011	2010
HSN assessment	$ 558,000	$ 593,000
Free care claims recognized	168,000	285,000
Net amount paid to HSN	$ 390,000	$ 308,000

Note 5 - Net Patient Service Revenue

Net patient service revenue was comprised of the following for the years ended September 30:

	2011	2010
Patient service revenue:		
Routine	$ 18,117,939	$ 17,528,035
Special services:		
Inpatient	53,632,167	56,147,314
Outpatient	89,426,328	85,931,058
	161,176,434	159,606,407
Less contractual adjustments and free care allowances	97,062,671	94,583,490
	64,113,763	65,022,917
Other - Electronic Health Records Grant	1,661,252	-
	$ 65,775,015	$ 65,022,917

For the year ended September 30, 2011, the Hospital recognized $1,661,252 from Medicare related to its compliance with the American Recovery and Reinvestment Act's Electronic Health Records Grant ("EHR").

Note 6 - Third Party Reimbursement

The Hospital maintains agreements with the Centers for Medicare and Medicaid Services ("CMS") (under the Medicare program) the Commonwealth (the "Commonwealth") of Massachusetts (under the Medicaid program) and various commercial insurance carriers, health maintenance organizations and provider organizations. These agreements govern payment to the Hospital for services rendered to subscribers and beneficiaries covered by these programs. Certain of these agreements require the Hospital to prepare and file various annual cost reports, which summarize actual and allowable cost and charge data.

The Medicare program of CMS reimburses acute care hospitals under the Prospective Payment System ("PPS") for most inpatient services. Outpatient services provided to Medicare patients are reimbursed on a prospective basis under the system referred to as Ambulatory Payment Classifications ("APC"). This system establishes rates of payment based on the services provided to outpatients using the current procedural terminology. Medicare pays for laboratory services based on a schedule of fee screens.

Note 6 - Third Party Reimbursement - Continued

MassHealth (Medicaid) pays the Hospital for services provided to beneficiaries under a prospective payment system. MassHealth pays a fixed amount per discharge for inpatient services, prospectively determined rates based on diagnoses and procedures performed for most outpatient services, and fixed amounts for certain other outpatient services.

The Commonwealth of Massachusetts' Division of Healthcare Finance and Policy (the "Division") operates The Health Safety Net ("HSN") to reimburse hospitals for the cost of free care. Amounts are paid to HSN through a statewide hospital assessment based on each hospital's net private sector payor charges. Free care claims are reimbursed by HSN based upon approved claims. The rate at which the Hospital is reimbursed is based on Medicare payment rates and policies and on the historical experience of providing approved free care, the level of funding available in the HSN, and the number of free care claims submitted and approved for reimbursement by HSN.

Note 7 - Assets Whose Use is Limited or Restricted and Short-term Investments

Short-term investments and assets whose use is limited or restricted, recorded at fair value, consisted of the following at September 30:

	2011	2010
Mutual funds	$ 11,239,674	$ 8,163,135
Cash and money market investments	5,129,539	6,261,779
Marketable equity securities	4,549,423	4,545,811
Alternative investments	3,802,260	7,342,124
Fixed income securities	1,779,710	1,745,096
Pledges receivable	181,892	396,841
Total short-term investments and limited use assets	$ 26,682,498	$ 28,454,786

Under the terms of the Hospital's Revenue Bond Indenture (see Note 12), a portion of the bond proceeds is held in escrow by trustees.

Note 7 - Assets Whose Use is Limited or Restricted and Short-term Investments - Continued

Assets whose use is limited or restricted and short-term investments are reported in the balance sheet as follows at September 30:

	2011	2010
Assets held in trust under indenture agreements	$ 4,389,724	$ 4,392,479
Board designated	10,288,952	11,495,111
Donor restricted	5,409,740	5,655,355
Funds held in trust by outside Charitable Trust Funds	6,594,082	6,911,841
	26,682,498	28,454,786
Less current portion:		
Board designated	10,158,014	10,892,650
Donor restricted	157,587	311,525
Held under indenture agreements	877,030	878,188
	11,192,631	12,082,363
Assets whose use is limited or restricted, net of current portion	$ 15,489,867	$ 16,372,423

Unrealized losses at September 30, 2011 are shown below on assets whose use is limited or restricted and short-term investments. None of these are considered other than temporary.

	Time Period in Loss Position					
	Less than 12 months		Greater than 12 months		Total	
	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
Mutual funds	$ 3,626,842	$ 573,058	$ 831,442	$ 77,465	$4,458,284	$650,523

Unrealized losses at September 30, 2010 are shown below on assets whose use is limited or restricted and short-term investments. None of these are considered other than temporary.

	Time Period in Loss Position					
	Less than 12 months		Greater than 12 months		Total	
	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
Alternative investments	$ -	$ -	$ 2,109,382	$ 248,688	$ 2,109,382	$ 248,688
Mutual funds	-	-	1,330,706	10,561	1,330,706	10,561
	$ -	$ -	$ 3,440,088	$ 259,249	$ 3,440,088	$ 259,249

Note 8 - Fair Value of Financial Instruments

Generally accepted accounting principles for fair value measurements and disclosures provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the hierarchy are as follows:

Level 1	Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.
Level 2	Inputs to the valuation methodology include: • quoted prices for similar assets or liabilities in active markets; • quoted prices for identical or similar assets or liabilities in inactive markets; • inputs other than quoted prices that are observable for the asset or liability; • inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.
Level 3	Valuations using unobservable inputs that are supported by little or no market activity and are significant to the fair value of the assets or liabilities. Level 3 includes assets and liabilities whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques reflecting the reporting entity's assumptions about the assumptions market participants would use as well as those requiring significant management judgment.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value.

Money Market funds, Equity Securities and Fixed Income securities: Valued at the closing price reported in the active market in which the individual security is traded.

Common/collective trusts: Valued at the per unit net asset value of the underlying investments.

Note 8 - Fair Value of Financial Instruments - Continued

Partnership Interest: Valued at the ownership interest in the net asset value (NAV) of the respective partnership.

Mutual Funds: Valued at the net asset value (NAV) of shares held by the Hospital at year end.

The following table presents information about the Hospital's assets that are measured at fair value on a recurring basis as of September 30, 2011, and indicates the fair value hierarchy of the inputs utilized to determine such fair value:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	September 30, 2011
Assets:				
Investments included in:				
Mutual funds				
Intermediate-Term Bond	$ 4,747,743	$ -	$ -	$ 4,747,743
Inflation-Protected Bond	3,056,976	-	-	3,056,976
Foreign Large Blend	1,586,110	-	-	1,586,110
Large Blend	1,017,403	-	-	1,017,403
Moderate Allocation	831,442			831,442
	11,239,674	-	-	11,239,674
Money Market Investments	5,129,539	-	-	5,129,539
Marketable Equity Securities	4,549,423	-	-	4,549,423
Partnership Interests				
Moderate Allocation	-	954,592	693,453	1,648,045
Small Value	1,053,116	-	-	1,053,116
Mid Growth	6,715	419,309	544,879	970,903
	1,059,831	1,373,901	1,238,332	3,672,064
Fixed income securities	1,779,710	-	-	1,779,710
Common Collective Trust				
Intermediate-Term Bond	-	130,196	-	130,196
	-	130,196	-	130,196
Total assets	$ 23,758,177	$ 1,504,097	$ 1,238,332	$ 26,500,606

Note 8 - Fair Value of Financial Instruments - Continued

The following table presents information about the Hospital's assets that are measured at fair value on a recurring basis as of September 30, 2010, and indicates the fair value hierarchy of the inputs utilized to determine such fair value:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	September 30, 2010
Assets:				
Investments included in:				
Mutual funds				
Intermediate-Term Bond	$ 3,536,608	$ -	$ -	$ 3,536,608
Inflation-Protected Bond	1,782,470	-	-	1,782,470
Foreign Large Blend	-	-	-	-
Large Blend	1,513,351	-	-	1,513,351
Moderate Allocation	1,330,706			1,330,706
	8,163,135	-	-	8,163,135
Money Market Investments	6,261,779	-	-	6,261,779
Marketable Equity Securities	4,545,811	-	-	4,545,811
Partnership Interests				
Moderate Allocation	-	1,119,439	504,164	1,623,603
Small Value	1,641,914	-	-	1,641,914
Mid Growth	9,418	403,914	536,609	949,941
	1,651,332	1,523,353	1,040,773	4,215,458
Fixed income securities	1,745,096	-	-	1,745,096
Common Collective Trust				
Intermediate-Term Bond	129,792	-	-	129,792
Small Cap	1,518,843	-	-	1,518,843
Large Blend	1,472,431	5,600	-	1,478,031
	3,121,066	5,600	-	3,126,666
Total assets	$ 25,488,219	$ 1,528,953	$ 1,040,773	$ 28,057,945

Note 8 - Fair Value of Financial Instruments - Continued

The following table sets forth a summary of changes in the fair value of the Hospital's Level 3 investments for the years ended September 30, 2011 and 2010:

	Alternative Investments	
	2011	2010
Balance, beginning of year	$ 1,040,773	$ 1,750,163
Interest and Dividends	6,280	-
Realized Gain	6,676	102,629
Unrealized gain	255,068	238,203
Withdrawals	(70,465)	(1,050,222)
Balance, end of year	$ 1,238,332	$ 1,040,773

The realized and unrealized gains related to the level 3 investments are reported as realized and unrealized gains in the statement of operations.

Under the terms of the partnership interest funds, the Organization has the ability to redeem the value of the investments throughout the course of the year. The Organization is not obligated to remit additional funding periodically as capital or liquidity calls are not exercised by the managers of the funds.

Note 9 - Endowments

The Hospital's endowment includes both donor restricted endowment funds and funds designated by the board of directors to function as endowments. As required by Generally Accepted Accounting Principles, net assets associated with endowment funds, including funds designated by the board of directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. The Hospital has interpreted state law as requiring realized and unrealized gains of permanently restricted net assets to be retained in a temporarily restricted net asset classification until appropriated by the Hospital's board of directors and expended. State law allows the board to appropriate as much of the net appreciation of permanently restricted net assets as is prudent considering the Hospital's long and short-term needs, present and anticipated financial requirements, expected total return on investments, price-level trends, and general economic conditions.

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).

Note 9 - Endowments - Continued

Changes in endowment assets for the year ended September 30, 2011 were as follows:

	Board Designated	Temporarily Restricted	Permanently Restricted	Total
Endowment assets - beginning of year	$ 11,495,111	$ 608,465	$ 2,767,334	$ 14,870,910
Investment return:				
Realized and unrealized gains (losses)	(664,841)	60,927	-	(603,914)
Withdrawals	(541,318)	-	-	(541,318)
Endowment assets, end of year	$ 10,288,952	$ 669,392	$ 2,767,334	$ 13,725,678

Changes in endowment assets for the year ended September 30, 2010 were as follows:

	Board Designated	Temporarily Restricted	Permanently Restricted	Total
Endowment assets - beginning of year	$ 10,524,809	$ 278,171	$ 2,767,334	$ 13,570,314
Investment return:				
Realized and unrealized gains (losses)	970,302	330,294	-	1,300,596
Endowment assets, end of year	$ 11,495,111	$ 608,465	$ 2,767,334	$ 14,870,910

Under the Hospital's policy, endowment assets are invested conservatively with the intent of providing a predictable stream of funding to the Hospital. The Hospital invests in mutual funds, alternative investments, money markets, marketable equity securities, fixed income securities, certificates of deposit and cash and cash equivalents to achieve its long-term return objectives within limited risk constraints. Actual returns in any year may vary from budgeted amounts due to market fluctuations.

Note 10 - Pledges Receivable

Included in assets whose use is limited or restricted are unconditional promises to give that are expected to be collected in future periods as follows:

	2011	2010
Amounts due in:		
Less than one year	$ 180,412	$ 358,869
One to five years	30,000	106,846
Total pledges receivable (before unamortized discount and allowance for uncollectible pledges)	210,412	465,715
Less unamortized discount at 5.4%	7,479	22,104
	202,933	443,611
Less allowance for uncollectible pledges	21,041	46,770
Net pledges receivable	$ 181,892	$ 396,841

Note 11 - Property and Equipment

Property and equipment consisted of the following at September 30:

	2011	2010
Land and improvements	$ 3,359,844	$ 3,208,842
Buildings and improvements	66,110,613	65,236,739
Medical office building	6,847,082	6,845,601
Fixed equipment	3,318,810	3,310,250
Major movable equipment	33,873,914	32,551,054
Minor equipment	56,687	56,687
Total	113,566,950	111,209,173
Less accumulated depreciation and amortization	57,429,802	52,687,649
	56,137,148	58,521,524
Construction in progress	193,996	980,065
Property and equipment, net	$ 56,331,144	$ 59,501,589

The cost of property acquired through capital lease obligations at September 30, 2011 and September 30, 2010 was $283,278. Accumulated amortization relative to those assets at September 30, 2011 and 2010 was $156,929 and $131,128, respectively.

Note 12 - Long-term Debt

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

	2011	2010
Massachusetts Health and Educational Facilities Authority Revenue Bonds, Series C	$ 7,435,000	$ 8,700,000
Add unamortized premium	106,445	128,468
	7,541,445	8,828,468
Massachusetts Health and Educational Facilities Authority Revenue Bonds, Series D	33,000,000	33,000,000
less unamortized discount	522,504	543,408
	32,477,496	32,456,592
Century bank loans	4,524,673	5,228,343
Capital lease obligations	115,273	141,074
	44,658,887	46,654,477
Less current portion	2,080,911	1,995,687
Long-term debt	$ 42,577,976	$ 44,658,790

Milton Hospital, Inc. Series C - In August 2001, the Hospital entered into an agreement with the Massachusetts Health and Educational Facilities Authority ("MHEFA") to issue, on an insured basis, $18,465,000 of MHEFA Revenue Bonds, Milton Hospital Issue, Series C (the "Series C Bonds"). Proceeds of the Series C Bonds were deposited in a refunding trust which, with accumulated interest, was used to redeem the Series B bonds on November 5, 2001. Annual interest rates on the outstanding Series C Bonds range from four percent (4%) to five and one-half percent (5.5%). Collateral for the Series C Bonds consists of a first lien on the Hospital's gross receipts and a mortgage on the Hospital's real property. The Series C bonds mature serially on July 1 of each year. Beginning in 2011, annual sinking fund installments are due on the bonds, with a final principal payment to retire the bonds due in 2016. The bonds maturing after July 1, 2011 are subject to redemption prior to maturity at a redemption price of one hundred percent (100%) of the remaining principal amount due. The fair value of the bonds at September 30, 2011 approximated carrying value.

Milton Hospital, Inc. Series D - In November 2005, the Hospital entered into a Loan and Trust Agreement with the Massachusetts Health and Educational Facilities Authority ("MHEFA") and US Bank National Association to issue, on an insured basis, $33,000,000 of MHEFA Revenue Bonds, Milton Hospital Issue, Series D (the "Series D Bonds"). The Bonds were issued to finance and/or reimburse the capital costs of the development, construction, equipping and furnishing of an addition to the Hospital, as well as a new parking deck. Annual interest rates on the outstanding Series D Bonds range to five and one-quarter percent (5.25%) to five and one-half percent (5.5%). Collateral for the Series D Bonds consists of a second lien on the Hospital's gross receipts and a mortgage on the Hospital's real property.

Note 12 - Long-term Debt - Continued

The Series D Bonds mature serially on July 1 of each year through 2041. Beginning in 2016, annual sinking fund installments are due on the bonds, with a final principal payment to retire the bonds due in 2041. The bonds maturing after July 1, 2030 are subject to redemption prior to maturity at a redemption price of one hundred percent (100%) of the remaining principal amount due. The fair value of the bonds at September 30, 2011 and 2010 approximated carrying value.

On July 14, 2004, the Hospital entered into an agreement with Century Bank and Trust Company for a term note in the amount of $3,000,000 to fund renovations to the medical office building at the Highland Street location. The agreement provides for monthly payments of interest only on the outstanding principal balance, at a fixed rate of LIBOR plus eight-tenths percent (.8%). Interest rates at September 30, 2011 and 2010 were one and two-thirds percent (1.66%) and two and thirteen hundredths percent (2.13%), respectively. As of August 14, 2005, the Hospital began making monthly payments of principal and interest through July 2015. The mortgage is secured by a first priority security interest in the Hospital's unrestricted investments. As of September 30, 2011 and 2010, the outstanding amounts were $1,306,556 and $1,635,544, respectively.

In January 2005, the Hospital entered into a variable rate mortgage note payable with Century Bank and Trust Company with a ten (10) year term for the purchase of property in Milton, Massachusetts. The note is payable in monthly installments of principal and interest, with the interest portion based on the one (1) year LIBOR plus one hundred and fifteen basis points computed on the basis of a 360 day year counting the actual number of days elapsed. Interest rates at September 30, 2011 and 2010 were two and one-hundredth percent (2.01%) and one and ninety-three hundredths percent (1.93%), respectively. The mortgage is secured by a first priority security interest in the Hospital's unrestricted investments. As of September 30, 2011 and 2010, the outstanding amounts were $257,292 and $329,911, respectively.

In January 2008, the Hospital entered into a working capital variable rate note payable with Century Bank and Trust Company with a twelve (12) year term. The note is payable in monthly installments of principal and interest, with the interest portion based on the one (1) year LIBOR rate plus two and one-half percent (2.5%). The interest rates at September 30, 2011 and 2010 were three and thirty-six hundredths percent (3.36%) and three and forty-six hundredths percent (3.46%), respectively. The note is secured by a first priority security interest in the Hospital's unrestricted investments. As of September 30, 2011 and 2010, the outstanding amounts were $2,960,825 and $3,262,888, respectively.

The Hospital entered into a $168,278 lease for copy machines. Payments of $3,253, consisting of both principal and interest, are due monthly at a fixed interest rate of six percent (6%) through October 2014. As of September 30, 2011 and 2010, the outstanding amounts were $115,273 and $141,074, respectively.

The Hospital's Series C and Series D debt agreements contain limitations on additional indebtedness, mergers, and other covenants, and maintenance of minimum debt service coverage ratios, which management believes will not adversely affect the Hospital's operations.

Note 12 - Long-term Debt - Continued

Scheduled Principal Payments - Aggregate principal payments on long-term debt, exclusive of capital lease obligation, are summarized as follows:

2012	$ 2,045,829
2013	2,140,618
2014	2,239,633
2015	2,238,460
2016	2,008,271
Thereafter	34,286,862
	$ 44,959,673

The following is a schedule by year of the future minimum lease payments under the capital lease obligation and the net present value of the future minimum lease payments as of September 30:

2012	40,763
2013	42,669
2014	40,483
2015	2,095
	126,010
Less amount representing interest	10,737
Net present value of future minimum lease payments	115,273
Less current portion	35,082
Long-term portion of capital lease obligation	$ 80,191

Note 13 - Note Payable, Line of Credit

The Hospital maintains a $1,500,000 revolving line of credit agreement with Century Bank and Trust Company, expiring September 25, 2012. Borrowings under this agreement are due on demand, and interest is payable monthly at the bank's prime rate plus one percent (1%) (4.25% at September 30, 2011 and 2010). The line of credit is secured by a first priority lien on all business assets. As of September 30, 2011 and 2010, the Hospital had $1,450,000 outstanding.

Note 14 - Operating Leases

The Hospital rents physician office space with lease payments of approximately $11,700 per month. Total annual rent payments amount to $140,400, which will continue through the remainder of the lease term ending March 1, 2015. Rent expense amounted to $140,400 and $133,800 in 2011 and 2010, respectively.

In November 2007, the Hospital entered into an operating lease for surgical equipment with lease payments of approximately $12,800 per month. Total annual rent payments amount to $153,600, which will continue through the remainder of the lease term ending November 1, 2011. Rent expense amounted to $153,600 in 2011 and 2010, respectively.

In November 2007, the Hospital entered into an operating lease for numerous pieces of surgical equipment with lease payments of approximately $44,300 per month. Total annual rent payments amount to $531,600, which will continue through the remainder of the lease term ending November 29, 2012. Rent expense amounted to $531,600 in 2011 and 2010, respectively.

In August 2009, the Hospital entered into an operating lease for numerous pieces of computer equipment with lease payments of approximately $23,900 per month. Total annual rent payments amount to $287,000, which will continue through the remainder of the lease term ending July 31, 2013. Rent expense amounted to $287,000 in 2011 and 2010, respectively.

The following is a schedule, by year, of the future minimum operating lease payments as of September 30:

2012	971,595
2013	910,966
2014	184,431
2015	58,390
	$ 2,125,382

Note 15 - Retirement Plan

The Hospital maintains a noncontributory qualified defined benefit pension plan (the "Plan") that covers substantially all of its eligible employees. Pursuant to a vote of the board of directors, benefits under the Plan were frozen effective July 1, 2004. The Hospital's policy is to make contributions to the Plan in such amounts necessary to fund benefits provided under the Plan on the basis of information furnished by the actuary. The Hospital contributed $1,347,703 and $635,840 to the Plan during the years ended September 30, 2011 and 2010, respectively. Additionally, based on the plan actuary's calculations, the Hospital expects to contribute $1,900,000 to the Plan in fiscal year 2012.

Note 15 - Retirement Plan - Continued

Change in Benefit Obligations:	2011	2010
Benefit obligation at beginning year	$ 30,301,040	$ 28,280,335
Interest cost	1,675,043	1,661,145
Actuarial (gain) loss	2,042,431	1,286,904
Benefits paid	(965,008)	(927,344)
Benefit obligation at end of year	33,053,506	30,301,040
Change in Plan Assets:		
Fair value of plan assets at beginning of year	$ 20,766,376	$ 19,345,053
Actual return on plan assets	321,293	1,943,720
Employer contributions	1,347,703	635,840
Benefits paid	(965,008)	(927,344)
Operating expenses	(178,611)	(230,893)
Fair value of plan assets at end of year	21,291,753	20,766,376
Funded status	(11,761,753)	(9,534,664)
Unrecognized net actuarial loss	15,772,077	12,694,732
Prepaid benefit cost	4,010,324	3,160,068
Additional minimum liability	(15,772,077)	(12,694,732)
Total pension liability	$ (11,761,753)	$ (9,534,664)

Assumptions:

The discount rate utilized to determine the benefit obligations at September 30, 2011 and 2010 were five percent (5%) and five and one-half percent (5.5%), respectively.

Funded Status:

Accounting for Defined Benefit Pension and Other Postretirement Plans focuses primarily on balance sheet reporting for the funded status of benefit plans and requires recognition of benefit liabilities for under-funded plans and benefit assets for over-funded plans, with offsetting impacts to unrestricted net assets.

Note 15 - Retirement Plan - Continued

Net Periodic Benefit Cost (Income):

	2011	2010
Interest cost	$ 1,675,043	$ 1,661,145
Expected return on plan assets	(1,908,118)	(1,893,490)
Amortization of unrecognized actuarial loss	730,522	376,842
Net periodic pension cost	$ 497,447	$ 144,497

Assumptions:

The significant underlying assumptions used to determine the net periodic benefit cost for the years ended September 30 were:

	2011	2010
Discount rate	5.50%	6.00%
Long-term rate of return	8.00%	8.00%

The discount rate reflects the rate at which the pension benefits could be effectively settled. In estimating those rates, the Hospital looks to available information about rates implicit in current prices of annuity contracts that could be used to effect settlement of the obligation (including information about available annuity rates currently published by the Pension Benefit Guaranty Corporation). In making those estimates, the Hospital also looks to rates of return on high-quality fixed-income investments currently available and expected to be available during the period to maturity of the pension benefits.

The expected long-term rate of return on plan assets reflects the average rate of earnings expected on the funds invested or to be invested to provide for the benefits included in the projected benefit obligation. In estimating that rate, the Hospital gave appropriate consideration to the returns being earned by the plan assets in the fund and the rates of return expected to be available for reinvestment. The Organization's investment objective for the Plan is to achieve the highest reasonable total return after considering the Plan liabilities, funded status, projected cash flows, projected markets returns, benefit obligation and the Organizations' ability and willingness to incur market risk.

Note 15 - Retirement Plan - Continued

Plan Assets:

The Hospital's pension plan asset allocations by asset category, using the fair value hierarchy as defined in Note 8, are as follows at September 30, 2011:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	September 30, 2011
Assets:				
Investments included in:				
Common Collective Trusts				
Large Blend	$ -	$ 4,960,662	$ -	$ 4,960,662
USD Diversified Bond	-	3,442,661	-	3,442,661
Treasury Fund	-	3,209,748	-	3,209,748
	-	11,613,071	-	11,613,071
Mutual Funds				
Foreign Large Blend	2,967,092	-	-	2,967,092
Moderate Allocation	2,017,147	-	-	2,017,147
Intermediate-Term Bond	922,458	-	-	922,458
	5,906,697	-	-	5,906,697
Partnership Interests				
Moderate Allocation	-	-	1,901,826	1,901,826
Small Value	-	1,234,584	-	1,234,584
	-	1,234,584	1,901,826	3,136,410
Cash	635,575	-	-	635,575
Total assets	$ 6,542,272	$ 12,847,655	$ 1,901,826	$ 21,291,753

Note 15 - Retirement Plan - Continued

The Hospital's pension plan asset allocations by asset category, using the fair value hierarchy as defined in Note 8, are as follows at September 30, 2010:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	September 30, 2010
Assets:				
Investments included in:				
Common Collective Trusts				
Large Blend	$ -	$ 8,413,159	$ -	$ 8,413,159
USD Diversified Bond	-	1,839,466	-	1,839,466
Treasury Fund	-	2,430,546	-	2,430,546
Intermediate-Term Bond	-	1,437,071	-	1,437,071
	-	14,120,242	-	14,120,242
Mutual Funds				
Foreign Large Blend	-	-	-	-
Moderate Allocation	2,029,768	-	-	2,029,768
Intermediate-Term Bond	887,658	-	-	887,658
Foreign Small/Mid Value	721,001	-	-	721,001
	3,638,427	-	-	3,638,427
Partnership Interests				
Moderate Allocation	-	-	1,378,163	1,378,163
Small Value	-	1,235,660	-	1,235,660
	-	1,235,660	1,378,163	2,613,823
Cash	393,884	-	-	393,884
Total assets	$ 4,032,311	$ 15,355,902	$ 1,378,163	$ 20,766,376

Note 15 - Retirement Plan - Continued

The following table presents the change in fair value for pension plan assets classified within level 3 of the fair value hierarchy defined above, for the years ended December 31, 2011:

	Partnership Interests	
	2011	2010
Balance, beginning of year	$ 1,378,163	$ 3,073,868
Interest and Dividends	17,374	733,929
Realized Gain	13,214	(543,038)
Unrealized gain	705,639	265,071
Withdrawals	(212,564)	(2,151,667)
Balance, end of year	$ 1,901,826	$ 1,378,163

Under the terms of the partnership interest funds, the Hospital has the ability to redeem the value of the investments throughout the course of the year. The Hospital is not obligated to remit additional funding periodically as capital or liquidity calls are not exercised by the managers of the funds.

Benefit Payments:

During the years ended September 30, 2011 and 2010, the Plan made benefit payments of $965,008 and $927,344, respectively. The following benefit payments are expected to be paid during the years ended September 30:

2012	$ 1,263,851
2013	1,303,937
2014	1,409,232
2015	1,539,149
2016	1,632,669
2017 through 2021	10,236,055

The Hospital maintains a 403(b) employee savings plan. The Plan covers all eligible employees of the Hospital and provides both an annual core contribution, as well as a matching contribution to contributing employees. Effective May 17, 2009, the Hospital suspended its core contributions as well as matching and transitional benefits. For the years ended September 30, 2011 and 2010, the Hospital made no contributions to the Plan.

Note 16 - Malpractice Insurance Coverage

Malpractice insurance coverage is provided on a claims-made basis. The claims-made policy, which is subject to retrospective adjustment and renewal on an annual basis, covers only claims made during the term of the policies, but not those occurrences for which claims may be made after expiration of the policies. The Hospital intends to renew its coverage on a claims-made basis.

Note 17 - Intercompany Transactions

The Hospital transfers cash to its affiliates in order to support the operations of each respective organization. During 2011 and 2010, the Hospital transferred $3,112,521 and $2,293,708, respectively, in cash to CPA. During 2011 and 2010, the Hospital transferred $147,219 and $313,895, respectively, to the Development Fund. Also, during 2011, the Hospital received transfers of $133,042 from the Foundation. During 2010, the Hospital transferred $124,137 to the Foundation.

Note 18 - Temporarily Restricted Net Assets

Temporarily restricted net assets were comprised of and restricted as follows at September 30:

	2011	2010
Endowment appreciation	$ 669,392	$ 608,465
Property and equipment	181,890	394,846
Operations	1,791,121	1,884,708
Amounts held in trust by outside charitable trust funds	6,594,082	6,911,841
	$ 9,236,485	$ 9,799,860

Note 19 - Permanently Restricted Net Assets

Permanently restricted net assets include donor restricted amounts to be held in perpetuity. Income generated by these funds is to be used for operations, as deemed necessary by the Hospital's Board of Directors.

Note 20 - Functional Expenses

Following is the functional classification of operating expenses for the Hospital for the year ended September 30:

	2011	%	2010	%
Patient services	$ 57,052,295	84%	$ 56,315,153	85%
Administration and general	11,150,849	16%	10,205,733	15%
		100%		100%
	$ 68,203,144		$ 66,520,886	

Note 21 - Risks and Uncertainties

The Hospital invests in a combination of investment vehicles. Investments are exposed to various risks such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect the amounts reported in the balance sheet.

Note 22 - Commitments and Contingencies

The health care industry is subject to numerous laws and regulations of federal, state and local governments. Government activity is ongoing with respect to investigations and allegations concerning possible violations by health care providers of fraud and abuse statutes and regulations, which could result in the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Compliance with such laws and regulations can be subject to future government review and interpretations, as well as regulatory actions unknown or unasserted at this time. Management believes that the Hospital is in substantial compliance with current laws and regulations.

Claims and legal actions are brought against the Hospital during the normal course of business. Management has taken the necessary steps to mitigate potential losses by obtaining insurance coverage and engaging legal counsel. In the opinion of management, no claims or legal actions have been asserted against the Hospital, which, individually or in the aggregate, will be in excess of its insurance coverage.

Note 23 - Conditional Asset Retirement Obligations

The Hospital accounts for asset retirement obligations through the recognition of a liability for the fair value of a conditional asset retirement obligation if the fair value of the liability can be reasonably estimated. The fair value of a liability for the legal obligation associated with an asset retirement is recorded in the period in which the obligation is incurred. When the liability is initially recorded, the cost of the asset retirement is capitalized. The Hospital has recorded a liability for which the estimated future undiscounted value of the asset retirement obligation is approximately $265,000. The initial asset retirement obligation was calculated using a discount rate of five percent (5%). At September 30, 2011 and 2010, the Hospital's asset retirement obligation liability was $126,817 and $120,782, respectfully.

For the years ended September 30, 2011 and 2010, the Hospital increased its asset retirement obligation liability and recorded additional interest expense related to that accretion in the amount of $6,035 and $5,748, respectively.