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Form 990

Return of Organization Exempt From Income Tax

2010

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

Open to Public Inspection

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

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

B Check if applicable

C Name of organization
The Norwalk Hospital Association

D Employer identification number

06-6068853

Address change

E Doing Business As

F Telephone number

(203) 852-2000

Name change

G Gross receipts \$ 370,392,771

Initial return

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

Room/suite

24 Stevens Street

Terminated

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

Norwalk, CT 06850

F Name and address of principal officer

Daniel Debarba
24 Stevens Street
Norwalk, CT 06850H(a) Is this a group return for affiliates? Yes NoI Tax-exempt status 501(c)(3) 501(c) () (insert no) 4947(a)(1) or 527H(b) Are all affiliates included? Yes No

If "No," attach a list (see instructions)

H(c) Group exemption number ►

J Website: ► www.norwalkhospital.org

K Form of organization Corporation Trust Association Other ►

L Year of formation 1893

M State of legal domicile CT

Part I Summary

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

The mission of Norwalk Hospital is to provide uniquely excellent, innovative and compassionate health care with exceptional outcomes

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

3 Number of voting members of the governing body (Part VI, line 1a)

3 22

4 Number of independent voting members of the governing body (Part VI, line 1b)

4 20

5 Total number of individuals employed in calendar year 2010 (Part V, line 2a)

5 2,108

6 Total number of volunteers (estimate if necessary)

6 524

7a Total unrelated business revenue from Part VIII, column (C), line 12

7a 4,615,716

b Net unrelated business taxable income from Form 990-T, line 34

7b 0

	Prior Year	Current Year
8 Contributions and grants (Part VIII, line 1h)	3,857,005	4,163,105
9 Program service revenue (Part VIII, line 2g)	335,284,118	355,229,999
10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	1,181,407	1,637,037
11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	2,204,505	2,473,072
12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	342,527,035	363,503,213

	Prior Year	Current Year
8 Contributions and grants (Part VIII, line 1h)	1,428,713	1,042,576
9 Program service revenue (Part VIII, line 2g)	0	0
10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	178,353,547	176,190,042
11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	0	0
12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	157,435,977	161,029,924
13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	337,218,237	338,262,542
14 Benefits paid to or for members (Part IX, column (A), line 4)	5,308,798	25,240,671
15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)		
16a Professional fundraising fees (Part IX, column (A), line 11e)		
b Total fundraising expenses (Part IX, column (D), line 25) ► 0		
17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)		
18 Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)		
19 Revenue less expenses Subtract line 18 from line 12		

	Beginning of Current Year	End of Year
20 Total assets (Part X, line 16)	258,806,324	347,466,749
21 Total liabilities (Part X, line 26)	123,629,682	211,769,948
22 Net assets or fund balances Subtract line 21 from line 20	135,176,642	135,696,801

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 DANIEL DEBARBA PRESIDENT & CEO Type or print name and title	2012-08-14 Date
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Paid Preparer Use Only	Print/Type preparer's name Firm's name ► ERNST & YOUNG US LLP Firm's address ► 55 IVAN ALLEN BLVD SUITE 1000 ATLANTA, GA 30308	Preparer's signature	Date	Check if self-employed ► <input type="checkbox"/>	PTIN
					Firm's EIN ►
					Phone no ► (404) 874-8300

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

Part III Statement of Program Service AccomplishmentsCheck if Schedule O contains a response to any question in this Part III **1 Briefly describe the organization's mission**

The mission of Norwalk Hospital is to provide uniquely excellent, innovative and compassionate health care with exceptional outcomes

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 \$ 41,410,907 including grants of \$ 0) (Revenue \$ 47,594,146)

ORTHOPEDICS AND NEUROSPINE SERVICES Norwalk Hospital provides comprehensive, high-quality orthopedic and neurospine care to residents of Greater Fairfield County, Connecticut through an expert team of board-certified or eligible orthopedists and neurosurgeons who have trained at some of the nations most prestigious hospitals and medical schools. A signature service, our orthopedic and neurospine program features a collaborative, team approach for the evaluation, treatment, and rehabilitation of diseases and conditions affecting the bones, joints, cartilage, muscles, tendons and ligaments. Clinical services provided includes Arthritis & Joint Pain Treatment, Foot and ankle care, Fracture care, Hand and upper extremity care, including shoulder and elbow replacement surgery, Joint replacement (hip & knee), Spine surgery, Sports Medicine, Trauma care for orthopedic injuries. OrthoNeuro had total Inpatient Discharges of 1,845 for the fiscal year ended 9/30/2011

4b (Code) (Expenses \$ 35,845,411 including grants of \$ 0) (Revenue \$ 40,027,060)

GASTROENTEROLOGY & DIGESTIVE SERVICES Norwalk Hospital is noted for its advanced gastroenterology program, which is considered to be a leading program in Connecticut as well as in nearby Westchester County, New York, for the diagnosis and treatment of a wide range of digestive diseases and conditions. One of the Hospitals premier signature clinical services, this program features experienced and highly respected gastroenterologists, on the Norwalk Hospital Medical Staff, who see patients in their offices throughout lower Fairfield County as well as at the Hospitals Center for Digestive Diseases. A key component of Norwalk Hospitals digestive diseases service is a colorectal cancer screening program. Colorectal cancers are highly preventable and treatable if caught early. Health experts recommend a screening colonoscopy at age 50 for adults considered at average risk. Colonoscopies are performed by gastroenterologists in the Hospitals modern and nationally accredited Gastrointestinal (GI) Lab. Norwalk Hospital is the only hospital in Connecticut to offer Third Eye Retroscope-enhanced colonoscopies. This new technology has been shown in clinical studies to improve the detection rate of potentially pre-cancerous colon polyps by up to 25%. Once detected, the colon polyps can be removed during the colonoscopy. Several gastroenterologists on the Hospitals medical staff are offering Third Eye Retroscope-enhanced colonoscopies to patients. The Norwalk Hospital Center for Digestive Diseases provides state-of-the-art, academic medical center-level care in a conveniently located, community hospital setting. The Centers widely recognized, fellowship-trained, specialist physicians provide leading-edge diagnostics and treatments for disorders of the esophagus, stomach, small intestine, colon, rectum, gallbladder, pancreas and liver. A leader in advanced endoscopic procedures for the treatments of gastrointestinal disorders, the Center also offers a chronic heartburn program, and, in partnership with Yale School of Medicine, a comprehensive Liver Center. Clinical services provided by the Centers specialist physicians include, but are not limited to: Ablation therapy for Barretts esophagus, Chronic heartburn (GERD) evaluation and treatment, Colon cancer screening, Colonoscopies, Double balloon-assisted enteroscopy, Endoscopic procedures, including endoscopic ultrasound, Inflammatory bowel disease evaluation and treatments, Liver diseases, including Hepatitis C, evaluations and treatments. The Center serves as a major teaching site for the Yale School of Medicine. William Hale, MD, director of gastroenterology and hepatology, Dennis Meighan, DO, director of endoscopy, and Seth A. Gross, MD, director of advanced endoscopy, help train residents and fellows, and also conduct clinical research studies designed to improve care for patients. Gastro & Digestive had total Inpatient Discharges of 1,807 for the fiscal year ended 9/30/2011

4c (Code) (Expenses \$ 34,466,806 including grants of \$ 0) (Revenue \$ 37,725,513)

WOMEN'S HEALTH One of the Hospital's premier signature clinical programs, our Women's and Children's Services features a top notch team of obstetricians/gynecologists, pediatricians, certified nurses midwives, pediatric hospitalists, neonatologists, pediatric specialists, physician assistants and nurses. This team's compassionate and expert care is further enhanced by the onsite availability of full-time perinatologists from Yale University Medical School. Our obstetricians and certified nurse midwives deliver babies in the Hospital's modern, home-like Childbirth Center. The center features in-suite amenities, including beautiful single rooms with private baths and showers, massage therapy for infants and mothers, wireless Internet access and flat-screen televisions. For additional expertise, the Hospital also provides perinatology services, for high-risk pregnancy, as well as reproductive endocrinology services. In addition, advanced, minimally invasive robotic surgery for several gynecologic procedures, including hysterectomies, fibroid removal, vaginal prolapse correction, to stop menorrhagia and to treat certain forms of cervical and uterine cancers, are now available at the Hospital. Women's Health had total Inpatient Discharges of 3,448 for the fiscal year ended 9/30/2011

4d Other program services (Describe in Schedule O)

(Expenses \$ 171,409,610 including grants of \$ 0) (Revenue \$ 225,267,563)

4e Total program service expenses \$ 283,132,734

Part IV Checklist of Required Schedules

1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A.

2 Is the organization required to complete Schedule B, Schedule of Contributors (see instruction)?

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.

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.

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.

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.

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.

8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III.

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.

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.

11 If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable

- a** Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI.
- 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.
- 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.
- 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.
- e** Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X.
- 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 XI.

12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII.

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.

13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E.

14a Did the organization maintain an office, employees, or agents outside of the United States?

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.

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.

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.

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).

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.

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.

20a Did the organization operate one or more hospitals? If "Yes," complete Schedule H.

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).

	Yes	No
1	Yes	
2	Yes	
3		No
4	Yes	
5		
6		No
7		No
8		No
9		No
10		No
11a	Yes	
11b		No
11c	Yes	
11d	Yes	
11e	Yes	
11f		No
12a		No
12b	Yes	
13		No
14a		No
14b		No
15		No
16		No
17		No
18		No
19		No
20a	Yes	
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	<input checked="" type="checkbox"/>	21	Yes	
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III	<input checked="" type="checkbox"/>	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	<input checked="" type="checkbox"/>	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	<input checked="" type="checkbox"/>	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)		28a	No	
a	A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV		28b	No	
b	A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV		28c	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		29	No	
30	Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M		30	No	
31	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M		31	No	
32	Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I		32	No	
33	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II		33	No	
34	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	<input checked="" type="checkbox"/>	34	Yes	
35	Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1	<input checked="" type="checkbox"/>	35	Yes	
a	Is any related organization a controlled entity within the meaning of section 512(b)(13)?				
	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	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> 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	<input checked="" type="checkbox"/>	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	<input checked="" type="checkbox"/>	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 362	
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b 0	
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c Yes	
2a	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return	2a 2,108	
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	2b Yes	
<p>Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)</p>			
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a Yes	
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	3b Yes	
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 No	
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 No	
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 No	
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 No	
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e No	
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f No	
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g No	
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h No	
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 No	
9	Sponsoring organizations maintaining donor advised funds.		
a	Did the organization make any taxable distributions under section 4966?	9a No	
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b No	
10	Section 501(c)(7) organizations. Enter		
a	Initiation fees and capital contributions included on Part VIII, line 12	10a No	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b No	
11	Section 501(c)(12) organizations. Enter		
a	Gross income from members or shareholders	11a No	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b No	
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a No	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b No	
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?	13a No	
<p>Note. See the instructions for additional information the organization must report on Schedule O</p>			
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 No	
c	Enter the amount of reserves on hand	13c No	
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 No	

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

1a Enter the number of voting members of the governing body at the end of the tax year

1b Enter the number of voting members included in line 1a, above, who are independent

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?

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?

4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?

5 Did the organization become aware during the year of a significant diversion of the organization's assets?

6 Does the organization have members or stockholders?

7a Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?

b Are any decisions of the governing body subject to approval by members, stockholders, or other persons?

8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following

a The governing body?

b Each committee with authority to act on behalf of the governing body?

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

	Yes	No
1a	22	
1b	20	
2		No
3		No
4		No
5		No
6	Yes	
7a	Yes	
7b		No
8a	Yes	
8b	Yes	
9		No

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

10a Does the organization have local chapters, branches, or affiliates?

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?

11a Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?

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

b Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?

c Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done

13 Does the organization have a written whistleblower policy?

14 Does the organization have a written document retention and destruction policy?

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

b Other officers or key employees of the organization

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?

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?

	Yes	No
10a		No
10b		
11a	Yes	
12a	Yes	
12b	Yes	
12c	Yes	
13	Yes	
14		No
15a	Yes	
15b	Yes	
16a	Yes	
16b		No

Section C. Disclosure

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

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 ►

TONI HORNE CONTROLLER
24 STEVENS STREET
NORWALK, CT 06850
(203) 852-2071

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

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) *luminescence* (B) *luminescence* (C) *luminescence* (D) *luminescence* (E) *luminescence*

(2) Name and Title (3) Average (4) Position (check all) (5) Reportable (6) Reportable

hours that apply) compensation compensation

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			
See Additional Data Table								
1b Sub-Total								
c Total from continuation sheets to Part VII, Section A								
d Total (add lines 1b and 1c)						6,842,095	0	472,033

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 **►294**

	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	Yes
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
NORWALK RADIOLOGY MAMMOGRAPHY CTR 148 EAST AVENUE NORWALK, CT 06851	MEDICAL	3,641,641
MORRISON MANAGEMENT SPECIALISTS INC PO BOX 102289 ATLANTA, GA 30368	FOOD SERVICE	2,552,365
UNITEX TEXTILE RENTAL 121-123 MEADOW STREET HARTFORD, CT 06114	LAUNDRY SERVICES	1,403,712
COMFORCE TECHNICAL SERVICES INC PO BOX 9695 UNIONDALE, NY 11555	STAFFING SERVICES	1,338,302
APOLLO SECURITY 2150 BOSTON-PROVIDENCE HIGHWAY WALPOLE, MA 02081	SECURITY SERVICE	1,090,981
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 ►91		

Part VIII Statement of Revenue

Contributions, gifts, grants and other similar amounts		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
1a Federated campaigns	1a				
b Membership dues	1b				
c Fundraising events	1c				
d Related organizations	1d	2,045,335			
e Government grants (contributions)	1e	2,086,206			
f All other contributions, gifts, grants, and similar amounts not included above	1f	31,564			
g Noncash contributions included in lines 1a-1f \$					
h Total. Add lines 1a-1f		4,163,105			
Program Service Revenue		Business Code			
2a PATIENT REVENUE		621400	345,978,731	345,978,731	
b OTHER MEDICAL SERVICES		900099	1,204,956	1,204,956	
c OTHER OPERATING REVENUE		900099	3,430,595	3,430,595	
d LAB SERVICES		621400	4,615,716	4,615,716	
e					
f All other program service revenue					
g Total. Add lines 2a-2f		355,229,999			
3 Investment income (including dividends, interest and other similar amounts)			840,683		840,683
4 Income from investment of tax-exempt bond proceeds			0		
5 Royalties			0		
6a Gross Rents	(I) Real	(II) Personal			
b Less rental expenses	3,842,935				
c Rental income or (loss)	3,338,298				
d Net rental income or (loss)	504,637				
			504,636		504,636
7a Gross amount from sales of assets other than inventory	(I) Securities	(II) Other			
b Less cost or other basis and sales expenses	4,130,293	4,000			
c Gain or (loss)	3,334,739	3,200			
d Net gain or (loss)	795,554	800			
			796,354		796,354
8a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18					
a					
b Less direct expenses	b				
c Net income or (loss) from fundraising events			0		
9a Gross income from gaming activities See Part IV, line 19	a				
b Less direct expenses	b				
c Net income or (loss) from gaming activities			0		
10a Gross sales of inventory, less returns and allowances	a				
b Less cost of goods sold	b	354,832			
c Net income or (loss) from sales of inventory		213,321			
			141,511		141,511
Miscellaneous Revenue	Business Code				
11a CAFETERIA/VENDING	900099	1,545,998			1,545,998
b LAUNDRY	900099	240,000			240,000
c PARKING	812930	40,927			40,927
d All other revenue					
e Total. Add lines 11a-11d		1,826,925			
12 Total revenue. See Instructions		363,503,213	350,614,282	4,615,716	4,110,109

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	1,042,576	1,042,576		
2 Grants and other assistance to individuals in the U S See Part IV, line 22	0			
3 Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16	0			
4 Benefits paid to or for members	0			
5 Compensation of current officers, directors, trustees, and key employees	3,359,338		3,359,338	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7 Other salaries and wages	128,932,371	112,433,635	16,498,736	
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	9,859,752	7,950,078	1,909,674	
9 Other employee benefits	23,549,011	19,105,759	4,443,252	
10 Payroll taxes	10,489,570	8,457,910	2,031,660	
a Fees for services (non-employees)				
Management	0			
b Legal	1,607,556		1,607,556	
c Accounting	241,990		241,990	
d Lobbying	187,250		187,250	
e Professional fundraising services See Part IV, line 17	0			
f Investment management fees	0			
g Other	43,564,318	35,076,843	8,487,475	
12 Advertising and promotion	1,746,100	97,560	1,648,540	
13 Office expenses	25,205,434	23,906,785	1,298,649	
14 Information technology	5,755,534	4,042,655	1,712,879	
15 Royalties	0			
16 Occupancy	16,629,032	13,400,413	3,228,619	
17 Travel	537,481	449,278	88,203	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings	30,559	30,250	309	
20 Interest	1,450,895	1,445,282	5,613	
21 Payments to affiliates	0			
22 Depreciation, depletion, and amortization	19,041,348	14,828,382	4,212,966	
23 Insurance	8,216,535	8,149,794	66,741	
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	20,654,069	20,654,069		
b PHARMACY	6,897,748	6,895,018	2,730	
c RADIOLOGY & LAB SUPPLIES	2,216,493	2,213,820	2,673	
d SUPPORT - NORWALK COMMUNITY HE	1,350,000	1,350,000		
e DUES, MEMBERSHIPS	701,524	192,191	509,333	
f All other expenses	4,996,058	1,410,436	3,585,622	
25 Total functional expenses. Add lines 1 through 24f	338,262,542	283,132,734	55,129,808	0
26 Joint costs. Check here <input checked="" type="checkbox"/> if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

		(A) Beginning of year	(B) End of year
Assets	1 Cash—non-interest-bearing	-3,090,637	1 61,458,676
	2 Savings and temporary cash investments	29,401,181	2 0
	3 Pledges and grants receivable, net	3	
	4 Accounts receivable, net	40,941,651	4 37,299,759
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L	5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers, and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Schedule L	6	
	7 Notes and loans receivable, net	2,019,947	7 1,387,672
	8 Inventories for sale or use	2,361,637	8 1,879,253
	9 Prepaid expenses and deferred charges	1,831,130	9 2,698,590
	10a Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 404,630,251	
	b Less accumulated depreciation	10b 277,722,033	10c 126,908,218
	11 Investments—publicly traded securities	30,190,958	11 30,219,610
	12 Investments—other securities See Part IV, line 11	3,170,899	12 2,729,803
	13 Investments—program-related See Part IV, line 11	13	36,399,874
	14 Intangible assets	14	
	15 Other assets See Part IV, line 11	40,488,764	15 46,485,294
	16 Total assets. Add lines 1 through 15 (must equal line 34)	258,806,324	16 347,466,749
Liabilities	17 Accounts payable and accrued expenses	75,538,145	17 105,366,368
	18 Grants payable	18	
	19 Deferred revenue	211,158	19 208,218
	20 Tax-exempt bond liabilities	9,845,000	20 56,060,000
	21 Escrow or custodial account liability Complete Part IV of Schedule D	21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L	22	
	23 Secured mortgages and notes payable to unrelated third parties	7,295,987	23 6,275,846
	24 Unsecured notes and loans payable to unrelated third parties	24	
	25 Other liabilities Complete Part X of Schedule D	30,739,392	25 43,859,516
	26 Total liabilities. Add lines 17 through 25	123,629,682	26 211,769,948
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.		
	27 Unrestricted net assets	111,900,980	27 104,824,797
	28 Temporarily restricted net assets	13,846,953	28 21,432,761
	29 Permanently restricted net assets	9,428,709	29 9,439,243
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.		
	30 Capital stock or trust principal, or current funds	30	
	31 Paid-in or capital surplus, or land, building or equipment fund	31	
	32 Retained earnings, endowment, accumulated income, or other funds	32	
	33 Total net assets or fund balances	135,176,642	33 135,696,801
	34 Total liabilities and net assets/fund balances	258,806,324	34 347,466,749

Part XI Reconciliation of Net AssetsCheck 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	363,503,213
2	Total expenses (must equal Part IX, column (A), line 25)	2	338,262,542
3	Revenue less expenses Subtract line 2 from line 1	3	25,240,671
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	135,176,642
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-24,720,512
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	135,696,801

Part XII Financial Statements and ReportingCheck if Schedule O contains a response to any question in this Part XII

	Yes	No
1 Accounting method used to prepare the Form 990	<input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O	
2a Were the organization's financial statements compiled or reviewed by an independent accountant?		2a
2b Were the organization's financial statements audited by an independent accountant?	2b Yes	No
2c 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
2d If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separated basis		
3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a Yes	
3b 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 Yes	

SCHEDULE A
(Form 990 or 990EZ)**Public Charity Status and Public Support****2010****Open to Public
Inspection**Department of the Treasury
Internal Revenue ServiceComplete 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.

Name of the organization
The Norwalk Hospital Association

Employer identification number

06-6068853

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

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

1 A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
 2 A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E)
 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state
 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II)
 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)** (Complete Part II)
 8 A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)
 9 An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2)**. (Complete Part III)
 10 An organization organized and operated exclusively to test for public safety See **section 509(a)(4)**.
 11 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3)**. Check the box that describes the type of supporting organization and complete lines 11e through 11h
 a Type I b Type II c Type III - Functionally integrated d Type III - Other
 e By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)
 f If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box
 g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
 (i) a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization?
 (ii) a family member of a person described in (i) above?
 (iii) a 35% controlled entity of a person described in (i) or (ii) above?
 h Provide the following information about the supported organization(s)

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

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

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

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

Section A. Public Support

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

Section B. Total Support

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

Section C. Computation of Public Support Percentage

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

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

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

Section B. Total Support

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

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

Additional Data

Software ID:
Software Version:
EIN: 06-6068853
Name: The Norwalk Hospital Association

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)					(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099- MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Or director	Individual trustee	Institutional Trustee	Official	Key employee	Highest compensated employee	Former	
Ervin Shames Chairman thru 12/31/10, Trustee as of 1/1/11	3 0	X		X				0	0
Diane M Allison ESQ vice chair thru 12/31/10, Chairman 1/1/11	5 0	X		X				0	0
George P Bauer Trustee as of 1/1/11	2 0	X						0	0
Andrew Whittingham Treasurer	3 0	X		X				0	0
Joseph Mann Secretary	2 0	X		X				0	0
Fred Afragola Trustee	2 0	X						0	0
Charles Augenbraun MD Trustee (Leave of Absence)	0 0	X						0	0
Barbara Butler Trustee	3 0	X						0	0
Daniel DeBarba President and CEO	50 0	X		X				670,785	29,920
Victor Liss Trustee	3 0	X						0	0
Michael Marks MD Physician Trustee thru 12/31/10	2 0	X						70,833	0
David Komansky Trustee	2 0	X						0	0
David Lehn Trustee	2 0	X						0	0
Gary Reiner Trustee	3 0	X						0	0
Roland Stichweh Trustee	3 0	X						0	0
William J Tamme TRUSTEE THRU 12/31/10 VICE CHAIR 1/1/11	5 0	X						0	0
Richard Zelkowitz MD Trustee	2 0	X						0	0
Robert Ready Trustee	2 0	X						0	0
Thomas Ayoub Physician/Trustee	18 0	X						140,833	0
Maria Borges-Lopez Trustee as of 1/1/11	2 0	X						0	0
Paul Gagne MD Trustee as of 1/1/11	2 0	X						0	0
Mark Gudis Trustee as of 1/1/11	2 0	X						0	0
Ed Kangas Trustee as of 1/1/11	2 0	X						0	0
Ed Mahony Trustee as of 1/1/11	2 0	X						0	0
Patrick Minicus VP and Chief Financial Officer	50 0			X				354,471	25,050

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)					(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099- MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee			
Eric Mazur VP and Chief Medical Officer	50 0			X			764,258	0	44,422
Lisa Brady Chief Operating Officer	50 0			X			450,445	0	25,419
Mary Nolan VP Nursing & Patient Care SVCS	50 0			X			372,529	0	52,575
Anthony Aceto VP Human Resources	50 0			X			344,257	0	30,687
Peter Dodds Chairman Surgery	25 0				X		432,202	0	32,628
Michael Carius Chairman Emergency Department	50 0				X		537,703	0	49,348
Arthur Srichman Physician	50 0				X		451,345	0	45,210
Brian McGovern Physician	50 0				X		534,859	0	44,459
Stephen Winter Physician	50 0				X		469,523	0	45,519
Geoffrey Cole Former President and CEO						X	1,248,052	0	46,796

SCHEDULE C

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.

2010

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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-E
- 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
The Norwalk Hospital Association

Employer identification number

06-6068853

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 function activities ► \$ _____

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

4 Did the filing organization file **Form 1120-POL** for this year? 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

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.)

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

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

g Grassroots nontaxable amount (enter 25% of line 1f)**h** Subtract line 1g from line 1a If zero or less, enter -0-**i** Subtract line 1f from line 1c If zero or less, enter -0-**j** If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? 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)		(b)
	Yes	No	
			Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a Volunteers?		No	
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c Media advertisements?		No	
d Mailings to members, legislators, or the public?		No	
e Publications, or published or broadcast statements?		No	
f Grants to other organizations for lobbying purposes?		No	
g Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i Other activities? If "Yes," describe in Part IV	Yes		505,447
j Total lines 1c through 1i			505,447
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?			
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?		
5 Taxable amount of lobbying and political expenditures (see instructions)	4	
	5	

Part IV Supplemental Information

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

Identifier	Return Reference	Explanation
OTHER ACTIVITIES	SCHEDULE C, PART II-B, LINE 1	NORWALK HOSPITAL ASSOCIATION PAYS MEMBERSHIP DUES TO MEMBER ORGANIZATIONS WHICH MAY ENGAGE IN LOBBYING ACTIVITIES, THEREFORE, A PORTION OF THE DUES MAY BE ATTRIBUTABLE TO LOBBYING ACTIVITIES NORWALK HOSPITAL ENGAGED THE FIRM BROWN RUDNICK LLP FOR GOVERNMENT RELATIONS IN CONNECTICUT AND ON THE FEDERAL LEVEL BROWN RUDNICK KEEPS NORWALK HOSPITAL ASSOCIATION APPRAISED OF FEDERAL HEALTHCARE POLICY, GRANT OPPORTUNITIES AND RELATED BILLS & PENDING LEGISLATION THAT MAY BE OF INTEREST TO THE WELL BEING OF THE HOSPITAL

2010

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Inspection**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.

Name of the organization
The Norwalk Hospital Association**Employer identification number**

06-6068853

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
2a	
2b	
2c	
2d	

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

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

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

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

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

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

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

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

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

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

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

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

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

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

b Assets included in Form 990, Part X ► \$ _____

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 **d** Loan or exchange programs
b Scholarly research **e** Other
c Preservation for future generations

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
1c	
1d	
1e	
1f	

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

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

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

	(a) Current Year	(b) Prior Year	(c) Two Years Back	(d) Three Years Back	(e) Four Years Back
1a Beginning of year balance					
b Contributions					
c Investment earnings or losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

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

a Board designated or quasi-endowment ►
b Permanent endowment ►
c Term endowment ►

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

	Yes	No
3a(i)		
3a(ii)		
3b		

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

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.

	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land	0	951,359		951,359
b Buildings		138,667,910	80,861,938	57,805,972
c Leasehold improvements		7,750,166	2,697,396	5,052,770
d Equipment		232,771,161	193,034,833	39,736,328
e Other		24,489,655	1,127,866	23,361,789
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).)				126,908,218

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

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
Other		

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

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

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

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

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

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

Part XIV Supplemental Information

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

Identifier	Return Reference	Explanation
FIN 48 Footnote	Schedule D, Part X, Line 2	There was no fin 48/asc 740 footnote in the audited financial statements

Additional Data

Software ID:
Software Version:
EIN: 06-6068853
Name: The Norwalk Hospital Association

Form 990, Schedule D, Part IX, - Other Assets

	(a) Description	(b) Book value
DEFERRED FINANCING FEES		329,597
Debt Service Fund		372,429
Due from Affiliates		2,640,682
Debt Service Reserve Fund		15,111,873
MALPRACTICE TRUST FUND		4,567,394
Goodwill - NRMC Purchase		15,097,582
Non-Compete - NRMC Purchase		7,547,810
CHEFA Bond Issue Expense		198,527
CHEFA Bond Discount		101,668
UNDERWRITERS DISC CHEFA GHI		436,311
MISCELLANEOUS		81,421

Form 990, Schedule D, Part X, - Other Liabilities

1	(a) Description of Liability	(b) Amount
	Due to third party payors	16,535,753
	Malpractice Reserve	9,815,058
	Asset Retirement Obligation	11,509,090
	CHA Trust loan short term	269,570
	Workers' Comp Reserve	2,172,120
	Long Term Disability Reserve	2,541,099
	Lease - Current and long term	16,826
	Radiology earnout	1,000,000

2010

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InspectionSCHEDULE 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.

Name of the organization
The Norwalk Hospital Association

Employer identification number

06-6068853

Part I Financial Assistance and Certain Other Community Benefits at Cost

1a Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a .
 b If "Yes," is it a written policy?
 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
 Generally tailored to individual hospitals
 3 Answer the following based on 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 _____ %
 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 _____ %
 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"?
 5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?
 b If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?
 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 eligible for free or discounted care?
 6a Does the organization prepare a community benefit report during the tax year?
 6b If "Yes," did the organization make it available to the public?
 Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H

	Yes	No
1a	Yes	
1b	Yes	
3a	Yes	
3b	Yes	
4	Yes	
5a	Yes	
5b		No
5c		
6a	Yes	
6b		No

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)		16,080	5,977,815	2,890,778	3,087,037	0 970 %
b Unreimbursed Medicaid (from Worksheet 3, column a)		41,289	43,547,244	32,174,890	11,372,354	3 580 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs		57,369	49,525,059	35,065,668	14,459,391	4 550 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)	104	1,701,952	1,814,851	4,608	1,810,243	0 570 %
f Health professions education (from Worksheet 5)	3	30	13,277,969	3,924,767	9,353,202	2 940 %
g Subsidized health services (from Worksheet 6)	1	0	3,741,223	1,893,351	1,847,872	0 580 %
h Research (from Worksheet 7)		0	0	0	0	0 %
i Cash and in-kind contributions to community groups (from Worksheet 8)		0	0	0	0	0 %
j Total Other Benefits	108	1,701,982	18,834,043	5,822,726	13,011,317	4 090 %
k Total. Add lines 7d and 7j	108	1,759,351	68,359,102	40,888,394	27,470,708	8 640 %

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	7,146,308	
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	1,490,020	
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	84,380,371
6 Enter Medicare allowable costs of care relating to payments on line 5	6	99,105,829
7 Subtract line 6 from line 5 This is the surplus or (shortfall)	7	-14,725,458
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 NORWALK SURGERY CTR	AMBULATORY SURGICAL CENTER	70 000 %	0 %	25 000 %	
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

Part V Facility Information (continued)**Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility**

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

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

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

Part VI Supplemental Information

Complete this part to provide the following information

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

Identifier	ReturnReference	Explanation
Part I, Line 7, Column F		Bad Debt Expense of \$20,654,069 has been excluded from the denominator in the calculations for part I, Column F. Part III, Line 4 REVENUES AND PATIENT ACCOUNTS RECEIVABLE ARE RECORDED WHEN PATIENT SERVICES ARE PERFORMED. AMOUNTS RECEIVED FROM CERTAIN PAYORS ARE DIFFERENT FROM THE ESTABLISHED BILLING RATES OF THE VARIOUS PROVIDERS, AND THESE DIFFERENCES ARE ACCOUNTED FOR AS ALLOWANCES. NET PATIENT SERVICE REVENUE IS REPORTED AT THE ESTIMATED NET REALIZABLE AMOUNTS FROM PATIENTS, THIRD-PARTY PAYORS AND OTHERS FOR SERVICES RENDERED. REVENUE UNDER THIRD-PARTY PAYOR AGREEMENTS IS SUBJECT TO AUDIT AND RETROACTIVE ADJUSTMENTS. PROVISIONS FOR ESTIMATED THIRD-PARTY PAYOR SETTLEMENTS AND ADJUSTMENTS ARE ESTIMATED IN THE PERIOD THE RELATED SERVICES ARE RENDERED AND ADJUSTED IN FUTURE PERIODS AS FINAL SETTLEMENTS ARE DETERMINED. ADJUSTMENTS ARE ESTIMATED IN THE PERIOD THE RELATED SERVICES ARE RENDERED AND ADJUSTED IN FUTURE PERIODS AS FINAL SETTLEMENTS ARE DETERMINED. There is no bad debt footnote in the audited financial statements.

Identifier	ReturnReference	Explanation
PART III, LINE 8		ALL HOSPITALS MUST RECORD PROFITS IN ORDER TO GENERATE THE CAPITAL NEEDED TO INVEST IN FACILITIES AND SERVICES SERVICES THAT RESPOND TO PUBLIC HEALTH NEEDS PROVIDED TO MEDICARE PATIENTS AT NORWALK HOSPITAL GENERATE NEGATIVE MARGINS AVERAGING AROUND 25 % OF COST IT IS POSSIBLE THAT SOME OF THESE SERVICES WOULD BE DISCONTINUED IF THE DECISION WAS MADE ON A PURELY FINANCIAL BASIS FOR THIS REASON, IT WOULD BE APPROPRIATE TO CONSIDER THE MEDICARE PAYMENT SHORTFALL A COMMUNITY BENEFIT THE MEDICARE ALLOWABLE COSTS OF CARE ON PART III, LINE 6 WERE COMPUTED USING THE COST TO CHARGE RATIO FROM THE MEDICARE COST REPORT MULTIPLIED AGAINST MEDICARE CHARGES

Identifier	ReturnReference	Explanation
PART III, LINE 9B		<p>NORWALK HOSPITAL SENDS OUT TWO STATEMENTS BEFORE THE CLAIM THEN CYCLES TO OUR "EARLY OUT" COMPANY, WHO WOULD THEN WORK THE CLAIM FOR THREE MONTHS OUR STATEMENTS HAVE MESSAGES OR LITERATURE ON THE BOTTOM OF THE STATEMENT ALERTING THE PATIENT TO THE FACT THAT IF THEY FEEL THEY NEED ASSISTANCE IN PAYING THEIR BILLS THEY CAN CALL CUSTOMER SERVICE AND REQUEST A FINANCIAL ASSISTANCE APPLICATION THEY WOULD HAVE TO FILL IT OUT COMPLETELY, AND PROVIDE US WITH THE REQUESTED PAPERWORK, COPY OF INCOME TAXES BEING ONE OF THEM IF THE APPLICATION COMES BACK TO US AND IS COMPLETE, WE WILL CHANGE THE FINANCIAL CLASS TO PENDING CHARITY SO THE CLAIM DOES NOT CYCLE TO COLLECTIONS THE NORWALK HOSPITAL MANAGER, CUSTOMER SERVICE/INSURANCE VERIFICATION AND ASSISTANCE COORDINATOR PROCESS THE APPLICATIONS ON A WEEKLY BASIS ONCE DETERMINATION IS MADE AS TO WHAT THEY MAY QUALIFY FOR, BASED ON OUR SLIDING SCALE (WHICH IS UPDATED YEARLY BASED ON POVERTY GUIDELINES, FAMILY SIZE, AND INCOME), THE APPROPRIATE AMOUNT WOULD BE ADJUSTED PATIENTS ARE CALLED AND NOTIFIED IF THEY QUALIFY AND FOR WHAT AMOUNT IF THERE IS A REMAINING BALANCE, THE ACCOUNT WOULD THEN BE CHANGED TO SELF-PAY IF PATIENTS ARE ADMITTED THROUGH THE ER AND ARE SELF-PAY, OUR FINANCIAL COUNSELORS WOULD VISIT THEM TO DISCUSS APPLYING FOR MEDICAID IF A PATIENT IS STRAIGHT SELF-PAY, OUR POLICY MANDATES THAT THE APPLICANT BE COMPLIANT WITH MEDICAID, AND IF THEY ARE DENIED, THEY CAN THEN APPLY FOR FINANCIAL ASSISTANCE THROUGH THE HOSPITAL, HOWEVER, IF THEY ARE DENIED FOR NON-COMPLIANCE, THEN FINANCIAL ASSISTANCE WOULD NOT BE APPLICABLE IF A PATIENT IS NOT A CITIZEN AND THEY WOULD NOT QUALIFY FOR EMED (EMERGENCY MEDICAL FOR JUST THAT ONE INPATIENT VISIT), THEY WOULD BE ABLE TO APPLY FOR FINANCIAL ASSISTANCE WITHOUT HAVING TO APPLY FOR MEDICAID SINCE THEY WOULD BE DENIED ANYWAY IF A PATIENT HAS TO HAVE AN OUTPATIENT PROCEDURE AND DOES NOT HAVE INSURANCE, PATIENT REGISTRATION WILL TRY TO OBTAIN REIMBURSEMENT FROM THAT PATIENT IF THEY ARE UNABLE TO PAY, THEY WOULD CALL THE PATIENT'S PHYSICIAN TO SEE IF THE PROCEDURE CAN BE POSTPONED UNTIL FINANCIAL ARRANGEMENTS CAN BE MADE IF THE DOCTOR STATES THEY CAN NOT POSTPONE THE PROCEDURE THEY WOULD ALLOW THE PATIENT TO COME BUT WOULD INSTRUCT THEM TO APPLY FOR MEDICAID AND IF DENIED THEY WOULD APPLY FOR FINANCIAL ASSISTANCE IF A PATIENT IS FROM AN AFFILIATED FEDERALLY QUALIFIED HEALTH CENTER AND NEEDS TO HAVE SERVICES WHEREBY WE DO NOT HONOR THE DISCOUNT(I E ALL INPATIENT SERVICES, OUTPATIENT IV THERAPY, RADIATION THERAPY, AND HYPERBARIC), AND IS NOT A CITIZEN, THEY WOULD BE REFERRED TO OUR FINANCIAL ASSISTANCE COORDINATOR, TO COMPLETE AN APPLICATION IF A PATIENT FROM AN AFFILIATED FEDERALLY QUALIFIED HEALTH CENTER IS A CITIZEN, THEY WOULD FIRST NEED TO HAVE APPLIED FOR MEDICAID AND IF DENIED, THEY COULD APPLY FOR ASSISTANCE OVERALL, PATIENTS CAN CALL CUSTOMER SERVICE, EVEN IF THEY ARE IN COLLECTIONS, TO BE CONSIDERED FOR FINANCIAL ASSISTANCE IF THEY ARE IN COLLECTIONS AND APPLY, WE WOULD PULL THE ACCOUNT BACK ONCE THE APPLICATION IS RECEIVED WE HAVE A NUMBER OF SCREENS WE FILL OUT IN OUR ACCOUNTING SOFTWARE WHICH DENOTE THE PATIENT HAS APPLIED AND THE STATUS ALSO, PATIENTS LIVING IN A SHELTER OR THAT ARE HOMELESS ARE ADJUSTED TO CHARITY AS WELL ADDITIONALLY, ALL IV THERAPY AND RADIATION THERAPY ACCOUNTS THAT HAVE BEEN GRANTED CHARITY ARE ADJUSTED MONTHLY, SINCE THEY ARE BILLED MONTHLY MEDICAID SPENDDOWN AMOUNTS ARE ALSO ADJUSTED TO CHARITY BEEN GRANTED CHARITY ARE ADJUSTED MONTHLY, SINCE THEY ARE BILLED MONTHLY MEDICAID SPENDDOWN AMOUNTS ARE ALSO ADJUSTED TO CHARITY</p>

Identifier	ReturnReference	Explanation
NEEDS ASSESSMENT	Part VI, Question 2	IN FY 2010, AS PART OF NORWALK HOSPITAL'S COMMUNITY OUTREACH STRATEGIC INITIATIVE, NORWALK HOSPITAL AND THE NORWALK HOSPITAL FOUNDATION DEVELOPED COMMUNITY ADVISORY BOARDS REPRESENTING EACH OF THE COMMUNITIES WE SERVE COMPRISED OF NEIGHBORS, HEALTH DIRECTORS, PUBLIC OFFICIALS, CLERGY, BUSINESS LEADERS, CIVIC GROUP REPRESENTATIVES, ETC. THESE GROUPS ASSIST THE HOSPITAL IN ASSESSING THE HEALTH CARE NEEDS AND OUTREACH OPPORTUNITIES IN SPECIFIC TOWNS. THE ADVISORY BOARDS PROVIDE INVALUABLE FEEDBACK SO THAT WE CAN CONTINUALLY ENHANCE OUR OUTREACH EFFORTS AND MEET CHANGING HEALTH CARE NEEDS. THE PLANNING DEPARTMENT OF THE HOSPITAL HAS ACCESS TO HOSPITAL, STATEWIDE AND NATIONAL DATABASES THAT TRACK TRENDS AND SERVICE USAGE ON AN ONGOING BASIS IN ORDER TO EVALUATE HOW THE HOSPITAL IS MEETING THE HEALTH CARE NEEDS OF THE COMMUNITIES WE SERVE

Identifier	ReturnReference	Explanation
Patient education of eligibility for assistance	Part VI, Question 3	<p>Through the hospital's access management and/or customer service division of the patient account, we inform patients about THE DETAILS OF THE HOSPITAL'S FINANCIAL ASSISTANCE POLICY, ASSIST WITH THE EXPLANATION OF THE FINANCIAL ASSISTANCE APPLICATION IF THE APPLICATION IS REQUIRED, DETERMINE THE AMOUNT OF THE DISCOUNT, INFORM THE PATIENT OF THE HOSPITAL'S FINAL DETERMINATION, AND PROCESS THE DISCOUNT IN THE HOSPITAL'S PATIENT ACCOUNTING SYSTEM. THE ONLY EXCEPTIONS ARE [1] OUTPATIENT MENTAL HEALTH SERVICES WHERE THE DEPARTMENT OF PSYCHIATRY WILL QUALIFY AND PROCESS FINANCIAL ASSISTANCE APPLICATIONS, AND [2] DENTAL CLINIC WILL QUALIFY AND PROCESS FINANCIAL ASSISTANCE APPLICATIONS. THE PATIENT WILL HAVE 30 DAYS FROM THE RECEIPT OF THE APPLICATION PACKET TO RETURN IT IN ITS ENTIRETY. OTHERWISE, THE NORMAL STATEMENT CYCLE WILL CONTINUE UNDER THE CLASSIFICATION OF SELF PAY. WHEN AN APPLICATION IS RECEIVED, THE ACCOUNT STATUS WILL BE CHANGED TO PENDING FINANCIAL ASSISTANCE AND NO ADDITIONAL STATEMENTS WILL BE SENT TO THE PATIENT UNTIL A FINAL FINANCIAL ASSISTANCE DETERMINATION IS MADE. IF THE PATIENT FILES FOR FINANCIAL ASSISTANCE ONLY AFTER LEGAL ACTION HAS BEEN INITIATED FOLLOWING REASONABLE COLLECTION EFFORTS, THE PATIENT WILL BE ENTITLED TO FILE A FINANCIAL ASSISTANCE APPLICATION BUT WILL BE RESPONSIBLE FOR ANY LEGAL FEE COSTS AND/OR COURT COSTS INCURRED UP TO THE POINT OF TIME OF THE APPLICATION. THE EXISTENCE OF THE HOSPITAL'S FINANCIAL ASSISTANCE PROGRAM WILL BE POSTED IN BOTH ENGLISH AND SPANISH AT ALL REGISTRATION POINTS WITHIN THE HOSPITAL. THE FOLLOWING PATIENTS WILL RECEIVE A FINANCIAL ASSISTANCE APPLICATION, ALSO AVAILABLE IN BOTH ENGLISH AND SPANISH, BY PATIENT ACCESS PERSONNEL AT THE TIME OF REGISTRATION: A. ALL ED PATIENTS WHO PRESENT TO THE EMERGENCY ROOM AS SELF PAY. B. ANY PATIENT WHO INDICATES AN INABILITY TO PAY. HOSPITAL PATIENT STATEMENTS WILL CLEARLY INDICATE THE EXISTENCE OF A FINANCIAL ASSISTANCE PROGRAM INCLUDING CUSTOMER SERVICE TELEPHONE NUMBERS.</p>

Identifier	ReturnReference	Explanation
COMMUNITY INFORMATION	Part VI, Question 4	<p>NORWALK HOSPITAL IS A NOT-FOR-PROFIT ACUTE CARE COMMUNITY TEACHING HOSPITAL WHICH IS LICENSED FOR 328 BEDS. THE HOSPITAL HAS OVER 500 PHYSICIANS ON ITS ACTIVE MEDICAL STAFF, MANY OF WHOM TRAINED AT THE NATION'S LEADING MEDICAL SCHOOLS AND HOSPITALS, AND 2,000 HEALTH PROFESSIONALS AND SUPPORT PERSONNEL. NORWALK HOSPITAL SERVES AN AREA POPULATION OF ABOUT 270,000 IN LOWER FAIRFIELD COUNTY. THE SERVICE AREAS INCLUDE PRIMARILY NORWALK, NEW CANAAN, WESTPORT, WESTON AND WILTON, AS WELL AS DARIEN, FAIRFIELD, REDDING AND RIDGEFIELD. THERE ARE FIVE OTHER HOSPITALS IN NORWALK HOSPITAL'S PRIMARY SERVICE AREA. A DIVERSE SOCIO-ECONOMIC POPULATION, NORWALK HOSPITAL SERVES AN AGING POPULATION, FROM THE AFFLUENT TO THE MEDICALLY UNDERSERVED. THE AVERAGE HOUSEHOLD INCOME IN THE NORWALK HOSPITAL'S SERVICE AREA IS \$163,887, AND THE ESTIMATED UNINSURED POPULATION IN THE CITY OF NORWALK IS 15%. THE PERCENTAGE OF POPULATION THAT IS 65+ IS EXPECTED TO INCREASE FROM 13.9% IN 2010, TO 15.6% IN 2015, AND WOMEN OF CHILDBEARING-AGE (18-44) ARE FORECAST TO DECLINE 2.5% OVER THIS SAME PERIOD OF TIME.</p>

Identifier	ReturnReference	Explanation
PROMOTION OF COMMUNITY HEALTH	Part VI, Question 5	<p>NORWALK HOSPITAL PROVIDES A VAST ASSORTMENT OF SERVICES TO THE COMMUNITY FREE OF CHARGE AND FURTHER CARRIES OUT ITS CITIZENSHIP BY MEETING THE NEEDS OF THE UNDERSERVED, WHICH INCLUDES ABOUT 44 PERCENT OF ITS PATIENTS. THE HOSPITAL MAKES AVAILABLE TO THE COMMUNITY, WITHOUT REGARD FOR ABILITY TO PAY, AN IMPRESSIVE LIST OF SPECIALTIES, SUCH AS CHILDBIRTH CENTER. NORWALK HOSPITAL PROVIDES EXCEPTIONAL MATERNITY AND PEDIATRIC SERVICES. THE OBSTETRICIANS ARE SUPPORTED BY HIGHLY SKILLED NURSES, CERTIFIED NURSE MIDWIVES, PHYSICIAN ASSISTANTS, NEONATOLOGISTS, AND YALE PERINATOLOGISTS TO HELP MANAGE HIGH-RISK PREGNANCIES. THE HOSPITAL ALSO OFFERS COMPREHENSIVE CHILDBIRTH EDUCATION AND SUPPORT PROGRAMS. THE SMILOW FAMILY BREAST HEALTH CENTER. THE SMILOW CENTER ADDRESSES BREAST CARE IN A SEAMLESS MANNER, BEGINNING WITH COMMUNITY EDUCATION AND SCREENING. FOCUSING ON RAPID DIAGNOSIS, THE PROGRAM PROVIDES ONGOING SUPPORT THROUGHOUT THE PROCESS OF REFERRAL AND SCHEDULING TO ALL NEEDED SERVICES. AND PHYSICIANS TRAUMA CENTER. NORWALK HOSPITAL IS DESIGNATED AS A LEVEL II TRAUMA CENTER, WHICH IS DEDICATED TO THE SURVIVAL AND RESTORATION OF PATIENTS TO THEIR BEST FUNCTIONAL OUTCOME. STROKE PROGRAM. NORWALK HOSPITAL HAS EARNED THE GOLD SEAL OF APPROVAL FOR STROKE CARE. THE JOINT COMMISSION ON ACCREDITATION OF HEALTHCARE ORGANIZATIONS HAS AWARDED NORWALK HOSPITAL PRIMARY STROKE CENTER CERTIFICATION "FOR DEMONSTRATING THAT ITS STROKE CARE PROGRAM FOLLOWS NATIONAL STANDARDS AND GUIDELINES THAT CAN SIGNIFICANTLY IMPROVE OUTCOMES FOR STROKE PATIENTS." CANCER DIAGNOSTICS AND THERAPY. A COMPREHENSIVE PROGRAM THROUGH THE WHITTINGHAM CANCER CENTER BRINGS TO SOUTHWESTERN CONNECTICUT THE LATEST KNOWLEDGE, TECHNIQUES, AND TECHNOLOGY FOR THE DIAGNOSIS AND TREATMENT OF CANCER. THE CANCER CENTER IS COMMITTED TO ASSURING A FULL SPECTRUM OF ONCOLOGY SERVICES TO THE PEOPLE OF OUR COMMUNITY. FROM PREVENTION AND SCREENINGS, TO DIAGNOSIS AND TREATMENT, THE STAFF IS CONTINUALLY RESPONDING TO THE CHANGING NEEDS OF HEALTHCARE AND CANCER PATIENTS. SURGICAL SERVICES. NORWALK HOSPITAL'S DEDICATED SURGICAL STAFF OFFERS HIGH QUALITY SURGICAL CARE. NORWALK HOSPITAL'S OUTSTANDING SURGEONS ARE IN THE FOREFRONT OF SURGICAL PROCEDURES INCLUDING LAPAROSCOPIC SURGERY, MAJOR JOINT REPLACEMENT, AND UROLOGICAL SERVICES. SLEEP CENTER. A NATIONALLY ACCREDITED CENTER PROVIDES FOR DIAGNOSIS AND MANAGEMENT OF THE FULL RANGE OF SLEEP DISORDERS, INCLUDING SLEEP APNEA AND INSOMNIA. THE CENTER CONDUCTS INTERNATIONAL RESEARCH TRIALS THAT KEEP IT AT THE FOREFRONT OF NEW AND DEVELOPING THERAPIES. BARIATRIC CENTER. THE NORWALK HOSPITAL BARIATRIC CENTER HAS BEEN NAMED AN AMERICAN SOCIETY FOR BARIATRIC SURGERY (ASBS) BARIATRIC SURGERY CENTER OF EXCELLENCE. THE ASBS CENTER OF EXCELLENCE DESIGNATION RECOGNIZES SURGICAL PROGRAMS WITH A DEMONSTRATED TRACK RECORD OF FAVORABLE OUTCOMES IN BARIATRIC SURGERY. WOUND CARE AND HYPERBARIC MEDICINE CENTER. AS A REFERRAL CENTER FOR COMPREHENSIVE WOUND MANAGEMENT, THE CENTER HAS HAD VERY SUCCESSFUL RESULTS BY PROVIDING ADVANCED TREATMENT TO CURE WOUNDS THAT PREVIOUSLY WOULD NOT HEAL. NORWALK HOSPITAL HAS MORE THAN TWENTY-FIVE YEARS OF EXPERIENCE IN PROVIDING HYPERBARIC OXYGEN THERAPY, PIONEERING AS THE FIRST HOSPITAL-BASED HYPERBARIC SERVICE IN NEW ENGLAND. TWENTY-FIVE PERCENT OF PEOPLE WITH NON-HEALING WOUNDS BENEFIT FROM RECEIVING HYPERBARIC OXYGEN THERAPY. MANY PATIENTS WITH NON-HEALING WOUNDS ARE REFERRED TO NORWALK HOSPITAL FOR ASSESSMENT. BECAUSE OF THIS EXPERTISE, COMMUNITY HEALTH CENTER. NORWALK HOSPITAL IS A FINANCIAL SPONSOR FOR THE NORWALK COMMUNITY HEALTH CENTER, A COMMUNITY-BASED FEDERALLY QUALIFIED HEALTH CENTER, WHICH OFFERS COMPREHENSIVE HEALTHCARE AT AFFORDABLE PRICES TO RESIDENTS OF A MEDICALLY UNDERSERVED COMMUNITY. OTHER COMMUNITY Benefit Activities. WOMEN WITH LIMITED OR NO HEALTH INSURANCE MAY BE ELIGIBLE FOR FREE MAMMOGRAMS, BREAST EXAMS, AND "PAP" PROCEDURES IN AN EARLY DETECTION PROGRAM OFFERED AT NORWALK HOSPITAL THROUGH THE CONNECTICUT BREAST AND CERVICAL CANCER EARLY DETECTION PROGRAM. THE MEDICAL STAFF PROVIDES AN ANNUAL WELLNESS SERIES, NOW IN ITS 29TH YEAR, FOR THE COMMUNITY. AND THE SECTION OF PULMONARY MEDICINE HAS BEEN OFFERING FREE SMOKING CESSATION PROGRAMS TWICE A YEAR FOR OVER 30 YEARS. NORWALK HOSPITAL OFFERS A WIDE RANGE OF COMMUNITY SERVICES BOTH AT THE HOSPITAL AND IN THE COMMUNITY. HOSPITAL ASSOCIATES AND AFFILIATED PHYSICIANS PROVIDE WELLNESS PROGRAMS TO SCHOOLS, CIVIC GROUPS, CHURCHES, AND OFFER COMMUNITY HEALTH FAIRS AND SCREENINGS. Examples of promoting health of community. Norwalk Hospital staff and affiliated MDs participate in health fairs, community education lectures and screenings with community YMCAs, senior centers, schools, Department of Health, etc. In collaboration with the State of CT Dept of Health and the CDC, Norwalk Hospital offers the CT Breast and Cervical Cancer Early Detection Program and promotes this program to the community. Norwalk Hospital offers program and financial support.</p>

Identifier	ReturnReference	Explanation
PROMOTION OF COMMUNITY HEALTH	Part VI, Question 5	rt to the Norwalk Community Health Center, a FQHC. Norwalk Hospital specialty clinics are staffed by volunteer attending physicians for surgical, GI, pulmonary, cardiology, orthopaedics, podiatry, physiology, nephrology, neurology for underserved patients

Identifier	ReturnReference	Explanation
AFFILIATED HEALTH CARE SYSTEM	Part VI, Question 6	In order to promote the health of the community Norwalk Hospital is responsible for coordinating the services of the hospital with those of other health, education and social services in the community (e.g. long-term care facilities, community outreach, health promotion/illness prevention organizations, etc.) in order to optimize the availability of a full scope of services in a cost-effective manner. As a not-for-profit organization, Norwalk Hospital provides needed medical care to all, including those who cannot pay for it (This comes from our vision and values statement. We are currently a one system hospital, no affiliated hospitals.)

Schedule H (Form 990) 2010

**Schedule I
(Form 990)**

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

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

► Attach to Form 990

2010

**Open to Public
Inspection**

Department of the Treasury
Internal Revenue Service

Name of the organization
The Norwalk Hospital Association

Employer identification number

Part I General Information on Grants and Assistance

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

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

Part II Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21 for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Part II can be duplicated if additional space is needed.  

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

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

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

Identifier	Return Reference	Explanation
Form 990, Schedule I, line 2	Description of Organization's Procedures for Monitoring the Use of Grants	Funds are provided to Norwalk Hospital Foundation, a related 501(c)(3) organization, which is subject to the same policies and procedures as Norwalk Hospital Association

Schedule J
(Form 990)**Compensation Information**

OMB No 1545-0047

2010Department of the Treasury
Internal Revenue Service

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.

Open to Public Inspection**Name of the organization**
The Norwalk Hospital Association**Employer identification number**

06-6068853

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items

<input type="checkbox"/> First-class or charter travel	<input type="checkbox"/> Housing allowance or residence for personal use
<input type="checkbox"/> Travel for companions	<input type="checkbox"/> Payments for business use of personal residence
<input checked="" type="checkbox"/> Tax indemnification and gross-up payments	<input type="checkbox"/> Health or social club dues or initiation fees
<input type="checkbox"/> Discretionary spending account	<input type="checkbox"/> 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 or provision of all the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?

3 Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply

<input type="checkbox"/> Compensation committee	<input type="checkbox"/> Written employment contract
<input type="checkbox"/> Independent compensation consultant	<input type="checkbox"/> Compensation survey or study
<input type="checkbox"/> Form 990 of other organizations	<input type="checkbox"/> Approval by the board or compensation committee

4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization

a Receive a severance payment or change-of-control payment from the organization or a related organization?

b Participate in, or receive payment from, a supplemental nonqualified retirement plan?

c Participate in, or receive payment from, an equity-based compensation arrangement?

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?

b Any related organization?

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?

b Any related organization?

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

8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs. section 53.4958-4(a)(3)? If "Yes," describe in Part III

9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

	Yes	No
1b		No
2	Yes	
4a	Yes	
4b	Yes	
4c		No
5a		No
5b		No
6a		No
6b		No
7	Yes	
8		No
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) Daniel DeBarba	(i) 416,638 (ii) 0	210,000 0	44,147 0	11,025 0	18,895 0	700,705 0	0 0
(2) Patrick Minicus	(i) 244,411 (ii) 0	83,008 0	27,052 0	7,656 0	17,394 0	379,521 0	0 0
(3) Geoffrey Cole	(i) 202,525 (ii) 0	100,247 0	945,280 0	30,767 0	16,029 0	1,294,848 0	0 0
(4) Eric Mazur	(i) 571,892 (ii) 0	114,443 0	77,923 0	30,028 0	14,394 0	808,680 0	0 0
(5) Lisa Brady	(i) 340,144 (ii) 0	108,609 0	1,692 0	11,025 0	14,394 0	475,864 0	0 0
(6) Mary NolaN	(i) 272,147 (ii) 0	59,032 0	41,350 0	36,781 0	15,794 0	425,104 0	0 0
(7) Anthony Aceto	(i) 250,680 (ii) 0	61,851 0	31,726 0	16,293 0	14,394 0	374,944 0	0 0
(8) Peter Dodds	(i) 360,000 (ii) 0	0 0	72,202 0	32,628 0	0 0	464,830 0	0 0
(9) Michael Carius	(i) 359,523 (ii) 0	78,219 0	99,961 0	33,654 0	15,694 0	587,051 0	0 0
(10) Arthur Srichman	(i) 223,771 (ii) 0	167,241 0	60,333 0	29,316 0	15,894 0	496,555 0	0 0
(11) Brian McGovern	(i) 246,739 (ii) 0	261,740 0	26,380 0	20,066 0	24,393 0	579,318 0	0 0
(12) Stephen Winter	(i) 331,634 (ii) 0	60,201 0	77,688 0	31,125 0	14,394 0	515,042 0	0 0
(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
Supplemental Compensation Information	Schedule J, Part I, LINE 1A	TAX GROSS-UP PAYMENTS ARE PROVIDED ON TAXABLE BENEFITS IN ACCORDANCE WITH THE NORWALK HOSPITAL ASSOCIATION'S SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN, DESCRIBED BELOW IN RESPONSE TO LINE 4B. ADDITIONALLY, TAX GROSS UP PAYMENTS ARE PROVIDED FOR TAXABLE MOVING EXPENSES AND ON THE TAXATION OF THE FORMER CEO'S PERSONAL USE OF A HOSPITAL-OWNED AUTOMOBILE PRIOR TO HIS TERMINATION AS CEO (FOR CALENDAR YEAR 2010 ONLY). ALL TAX GROSS-UP PAYMENTS ARE TREATED AS TAXABLE COMPENSATION TO THE INDIVIDUALS RECEIVING SUCH PAYMENTS
Supplemental Compensation Information	Schedule J, Part I, LINE 1B	THE TAX GROSS-UP FOR THE SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN WAS APPROVED BY THE BOARD IN 1996 WHEN THE PLAN WAS CREATED. THIS DECISION WAS REACHED WITH THE ADVICE OF OUTSIDE COUNSEL AND A COMPENSATION CONSULTING FIRM. IN GENERAL, TAX GROSS-UP DECISIONS ARE MADE ON A CASE BY CASE BASIS RELATED TO SPECIFIC ELEMENTS AND THE INTENTION OF ANY PARTICULAR COMPENSATION PLAN OR PROGRAM. THESE DECISIONS ARE REACHED IN CONCERT WITH, BUT NOT LIMITED TO, THE FOLLOWING PARTIES: CEO OR OTHER EXECUTIVES, HUMAN RESOURCES, ACCOUNTING, PAYROLL, OUTSIDE COUNSEL, OUTSIDE TAX ADVISORS, AND OUTSIDE COMPENSATION CONSULTANTS. THIS PROCESS ENSURES, TO THE GREATEST DEGREE POSSIBLE, THAT ANY TAX GROSS-UP DECISIONS ARE IN COMPLIANCE WITH ANY IRS REGULATIONS AND PREVAILING GOOD MANAGEMENT PRACTICES. Although this is the policy followed, there is no formal written policy/procedure regarding this at this time.
Supplemental Compensation Information	SCHEDULE J, PART I, LINE 4A	Geoffrey Cole RECEIVED part of a two year severance arrangement based upon his COMPENSATION AT THE TIME OF TERMINATION. THE AMOUNT PAID during the year, \$862,249, has BEEN INCLUDED IN SCHEDULE J, PART II, COLUMN B(III)
Supplemental Compensation Information	SCHEDULE J, PART I, LINE 4B	NORWALK HOSPITAL Association HAS ESTABLISHED the Norwalk Hospital Senior Deferred Compensation Plan, Primarily for the purpose of providing a program of deferred compensation for Daniel Debarba, President and CEO, amounts promised under the plan are based on targeted retirement benefits. The payment of benefits under the plan is subject to vesting, no amounts were vested or reported as taxable income on Mr. Debarba's 2010 W2.
Supplemental Compensation Information	Schedule J, Part III, Line 7	Bonuses are provided based on a goals system. Goals are established for eligible employees at the beginning of the fiscal year. Bonuses are paid in accordance with the overall financial performance of the hospital as well as the employee's success in meeting or exceeding those goals.

**Schedule K
(Form 990)****2010****Open to Public
Inspection****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.

Department of the Treasury
Internal Revenue ServiceName of the organization
The Norwalk Hospital AssociationEmployer identification number
06-6068853**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 STATE OF CT HEALTH & EDU FACILITIES AUTHORITY	06-0806186		12-09-2010	46,840,000	SEE PART V		X		X		X

Part II Proceeds

1	Amount of bonds retired	A		B		C		D	
		0	0	0	0	0	0	0	0
2	Amount of bonds legally defeased		0		0		0		0
3	Total proceeds of issue		46,844,170		46,844,170		46,844,170		46,844,170
4	Gross proceeds in reserve funds		0		0		0		0
5	Capitalized interest from proceeds		494,062		494,062		494,062		494,062
6	Proceeds in refunding escrow		0		0		0		0
7	Issuance costs from proceeds		829,268		829,268		829,268		829,268
8	Credit enhancement from proceeds		0		0		0		0
9	Working capital expenditures from proceeds		463,600		463,600		463,600		463,600
10	Capital expenditures from proceeds		31,106,035		31,106,035		31,106,035		31,106,035
11	Other spent proceeds		0		0		0		0
12	Other unspent proceeds		13,951,207		13,951,207		13,951,207		13,951,207
13	Year of substantial completion		2012		2012		2012		2012
14	Were the bonds issued as part of a current refunding issue?	Yes	X	Yes	X	Yes	X	Yes	X
15	Were the bonds issued as part of an advance refunding issue?		X		X		X		X
16	Has the final allocation of proceeds been made?		X		X		X		X
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X							

Part III Private Business Use

1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?	A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
			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
			X						
3a	Are there any management or service contracts that may result in private business use?		X						
b	Are there any research agreements that may result in private business use of bond-financed property?		X						
c	Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?		X						
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ►	0 %							
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ►	0 510 %							
6	Total of lines 4 and 5	0 510 %							
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
			X						
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	Na							
c	Term of hedge	0							
d	Was the hedge superintegrated?		X						
e	Was a hedge terminated?		X						
4a	Were gross proceeds invested in a GIC?		X						
b	Name of provider	Na							
c	Term of GIC	0							
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?		X						
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
SCHEDULE K, PART I	USE OF BOND PROCEEDS	THE PROCEEDS OF THE BOND ARE BEING USED FOR Construction of a parking garage and for the purchase of other capital equipment

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.

2010**Open to Public
Inspection****Name of the organization**
The Norwalk Hospital Association**Employer identification number**

06-6068853

Identifier	Return Reference	Explanation
FORM 990, PART I, LINE 1 & PART III, LINE 1	ORGANIZATION'S MISSION	<p>The mission of Norwalk Hospital is to provide uniquely excellent, innovative and compassionate health care with exceptional outcomes. Vision: Norwalk Hospital will be the hospital of choice for patients, physicians, and health care professionals, recognized for delivering innovative clinical services with compassion. We are guided by these values: Patient-centered, honoring each individual's dignity, privacy, and confidentiality, empowering patients and their families as partners in their care, facilitating simple, convenient ways for patients and their families to use our programs and services. Excellence: setting the highest standards for safety, clinical outcomes and personal service, and continuously measuring, monitoring and raising those standards. Innovation: continuously pioneering new and better ways to deliver care, including bringing state-of-the-art technology to real-world care delivery, research and prevention of illness. Leadership: attracting and developing throughout the organization people who are recognized as exceptional leaders and who subscribe to these values. Teamwork: Working together to achieve our mission and goals in a cooperative, respectful, open environment. Trust and Fairness: We foster a climate of openness in which all who work here treat one another with trust and fairness, we support open communication to enhance this climate. Education: providing nationally recognized medical education programs for future providers, participating in clinical research and offering a range of educational programs to our patients and the community to enhance their health and well-being. Financial Responsibility: being accountable as financial stewards for constant improvement in the efficiency and effectiveness of service delivery, coordinating the services of Norwalk Hospital with those of other health, education, and social services in the community (e.g. long-term care facilities, community outreach, health promotion/illness prevention organizations, etc.) in order to optimize the availability of a full scope of services in a cost-effective manner. Charity: as a not-for-profit organization, providing needed medical care to all, including those who cannot pay for it. FORM 990, Part III, Line 4 Other Program Service Descriptions. Other Program Services Include ED treated and Released, Cardiovascular services, Cancer services, Pulmonary & Respiratory services, Rehab services, All Other Surgical services, Pediatric services, Psychiatry services, All Other Medical services, and All Other lab services.</p>

Identifier	Return Reference	Explanation
DESCRIPTION OF CLASSES OF MEMBERS OF STOCKHOLDERS	Form 990, Part VI, SECTION A, LINES 6 & 7	NORWALK HEALTH SERVICES CORPORATION, INC IS THE SOLE MEMBER OF NORWALK HOSPITAL ASSOCIATION (NHA) AND APPOINTS NHA'S BOARD OF DIRECTORS

Identifier	Return Reference	Explanation
Describe the Process used by Management &/or Governing Body to Review 990	Form 990, Part VI, line 11	NORWALK HOSPITAL ASSOCIATION'S (NHA) FORM 990 IS PREPARED WITH THE ASSISTANCE OF ERNST & YOUNG LLP AND REVIEWED BY NHA'S INTERNAL MANAGEMENT FOLLOWING THAT REVIEW, NHA'S INTERNAL MANAGEMENT PRESENTS THE FORM 990 TO THE AUDIT COMMITTEE FOR REVIEW AND COMMENT THE COMPLETED FORM 990 IS PROVIDED, via email, TO ALL MEMBERS OF THE BOARD OF Trustees PRIOR TO THE FORM BEING FILED WITH THE IRS

Identifier	Return Reference	Explanation
Description of Process to Monitor Transactions for Conflicts of Interest	FORM 990, PART VI, LINE 12C	<p>MONITORING THE ORGANIZATION'S CONFLICT OF INTEREST POLICY PROVIDES THAT ANNUALLY, EACH DIRECTOR, PRINCIPAL OFFICER AND MEMBER OF A COMMITTEE WITH GOVERNING BOARD DELEGATED POWERS SHALL SIGN A STATEMENT AFFIRMING THAT SUCH PERSON RECEIVED A COPY OF THE CONFLICT OF INTEREST POLICY, READ AND UNDERSTANDS THE POLICY AND AGREES TO COMPLY WITH THE POLICY ADDITIONALLY, THE SIGNED STATEMENT AFFIRMS THAT THE PERSON UNDERSTANDS THE Hospital IS A CHARITABLE ORGANIZATION AND THAT IN ORDER TO MAINTAIN ITS TAX-EXEMPT STATUS, THE Hospital MUST ENGAGE IN ACTIVITIES WHICH ACCOMPLISH ONE OR MORE OF ITS TAX-EXEMPT PURPOSES ENFORCEMENT FAILURE TO COMPLY WITH THE ORGANIZATION'S CONFLICT OF INTEREST POLICY SHALL CONSTITUTE GROUNDS FOR REMOVAL OF A PERSON COVERED BY THE POLICY AS A BOARD MEMBER OR BOARD COMMITTEE MEMBER, AND, IN THE CASE OF KEY MANAGEMENT PERSONNEL, TERMINATION OF EMPLOYMENT WHO IS COVERED? THE ORGANIZATION'S CONFLICT OF INTEREST POLICY COVERS EACH DIRECTOR, PRINCIPAL OFFICER AND MEMBER OF A COMMITTEE WITH GOVERNING BOARD DELEGATED POWERS LEVEL OF DETERMINATION AND REVIEW OF CONFLICTS IN CONNECTION WITH ANY ACTUAL OR POSSIBLE CONFLICT OF INTEREST, AN INTERESTED PERSON MUST DISCLOSE THE EXISTENCE OF THE FINANCIAL INTEREST AND BE GIVEN THE OPPORTUNITY TO DISCLOSE ALL MATERIAL FACTS TO THE DIRECTORS AND MEMBERS OF COMMITTEES WITH GOVERNING BOARD DELEGATED POWERS CONSIDERING THE PROPOSED TRANSACTION OR ARRANGEMENT AFTER PRESENTATION OF A POTENTIAL TRANSACTION OR ARRANGEMENT IS MADE BY AN INTERESTED PERSON, THE REMAINING DISINTERESTED BOARD OR COMMITTEE MEMBERS SHALL DECIDE IF A CONFLICT OF INTEREST EXISTS THE CHAIRPERSON OF THE GOVERNING BOARD OR COMMITTEE SHALL, IF APPROPRIATE, APPOINT A DISINTERESTED PERSON OR COMMITTEE TO INVESTIGATE ALTERNATIVES TO THE PROPOSED TRANSACTION OR ARRANGEMENT AFTER EXERCISING DUE DILIGENCE, THE GOVERNING BOARD OR COMMITTEE SHALL DETERMINE IF THE Hospital CAN OBTAIN, WITH REASONABLE EFFORTS, A MORE ADVANTAGEOUS TRANSACTION OR ARRANGEMENT FROM A PERSON OR ENTITY THAT WOULD NOT GIVE RISE TO A CONFLICT OF INTEREST IF A MORE ADVANTAGEOUS TRANSACTION OR ARRANGEMENT IS NOT REASONABLY POSSIBLE UNDER CIRCUMSTANCES NOT PRODUCING A CONFLICT OF INTEREST, THE GOVERNING BOARD OR COMMITTEE SHALL DETERMINE BY A MAJORITY VOTE OF THE DISINTERESTED DIRECTORS WHETHER THE TRANSACTION OR ARRANGEMENT IS IN THE ORGANIZATION'S BEST INTEREST, FOR ITS OWN BENEFIT AND WHETHER IT IS FAIR AND REASONABLE IN CONFORMITY WITH THE ABOVE DETERMINATION, THE GOVERNING BOARD OR COMMITTEE SHALL MAKE ITS DECISION AS TO WHETHER TO ENTER INTO THE TRANSACTION OR ARRANGEMENT RESTRICTIONS PLACED ON CONFLICTED PERSONS IN CONNECTION WITH ANY ACTUAL OR POSSIBLE CONFLICT OF INTEREST, AN INTERESTED PERSON MUST DISCLOSE THE EXISTENCE OF THE FINANCIAL INTEREST AND BE GIVEN THE OPPORTUNITY TO DISCLOSE ALL MATERIAL FACTS TO THE DIRECTORS AND MEMBERS OF COMMITTEES WITH GOVERNING BOARD DELEGATED POWERS CONSIDERING THE PROPOSED TRANSACTION OR ARRANGEMENT AFTER DISCLOSURE OF THE FINANCIAL INTEREST AND ALL MATERIAL FACTS, AND AFTER ANY DISCUSSION WITH THE INTERESTED PERSON, HE/SHE SHALL LEAVE THE GOVERNING BOARD OR COMMITTEE MEETING WHILE THE DETERMINATION OF A CONFLICT OF INTEREST IS DISCUSSED AND VOTED UPON THE REMAINING BOARD OR COMMITTEE MEMBERS SHALL DECIDE IF A CONFLICT OF INTEREST EXISTS</p>

Identifier	Return Reference	Explanation
Written Document Retention & Destruction Policy	Form 990, Part VI, line 14	NORWALK HOSPITAL ASSOCIATION (NHA) IS IN THE PROCESS OF DRAFTING A FORMAL WRITTEN DOCUMENT RETENTION AND DESTRUCTION POLICY

Identifier	Return Reference	Explanation
Offices & Positions for Which Process was Used, & Year Process was Begun	Form 990, Part VI, line 15a & 15b	AN OUTSIDE CONSULTING FIRM CONDUCTS AN EXECUTIVE COMPENSATION ANALYSIS UTILIZING THIRD-PARTY, BLINDED SURVEY DATA SOURCES THE CONSULTANT THEN PRESENTS FINDINGS TO THE COMPENSATION COMMITTEE OF THE BOARD, WHO DECIDE WHAT ACTION TO TAKE, IF ANY, FOR EACH EXECUTIVE THIS PROCEDURE ONLY APPLIES TO THE PRESIDENT, VICE PRESIDENTS, AND CERTAIN KEY EMPLOYEES FOR THOSE KEY EMPLOYEES WHOSE SALARIES ARE NOT SUBJECT TO THE COMPENSATION COMMITTEE REVIEW, THEIR RESPECTIVE VICE PRESIDENTS ASSESS THEIR PERFORMANCE AND DETERMINE SALARY INCREASES BASED ON THE GUIDELINES ESTABLISHED BY THE ANNUAL REVIEW PROGRAM AND FINAL REVIEW RATINGS COMPENSATION DECISIONS ALSO EMPLOY EXTERNAL MARKET SURVEY DATA AND INTERNAL ANALYSIS BASED ON NORWALK HOSPITAL ASSOCIATIONS SALARY RANGES THIS PROCESS IS UNDERTAKEN EACH YEAR

Identifier	Return Reference	Explanation
Joint Venture Policy	Form 990, PART VI, Section B, Line 16B	WHILE A WRITTEN POLICY HAS NOT BEEN ADOPTED REGARDING THE EVALUATION OF PARTICIPATION IN JOINT VENTURES, MANAGEMENT FOLLOWS A PROCEDURE IN WHICH ALL POSSIBLE JOINT VENTURE ARRANGEMENTS ARE EVALUATED UNDER APPLICABLE FEDERAL TAX LAWS. MANAGEMENT UTILIZES THE SERVICES OF APPROPRIATE CONSULTANTS AND LEGAL COUNSEL TO EVALUATE EACH JOINT VENTURE OPPORTUNITY. THIS EVALUATION ALSO INCLUDES AN ANALYSIS OF HOW THE JOINT VENTURE WILL FURTHER THE HOSPITAL'S MISSION. THE HOSPITAL HAS TAKEN ALL APPROPRIATE STEPS TO SAFEGUARD ITS TAX EXEMPT STATUS WITH RESPECT TO ALL JOINT VENTURE ARRANGEMENTS. JOINT VENTURE ARRANGEMENTS ARE APPROVED BY THE BOARD OF TRUSTEES.

Identifier	Return Reference	Explanation
Governing documents, etc available to the public	FORM 990, PART VI, LINE 19	GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY & FINANCIAL STATEMENTS ARE AVAILABLE TO THE PUBLIC UPON REQUEST

Identifier	Return Reference	Explanation
Hours devoted to a RELATED ORGANIZATION	FORM 990, PART VII	THE INDIVIDUALS LISTED BELOW WORKED THE FOLLOWING HOURS PER WEEK FOR A RELATED ORGANIZATION DURING THE FISCAL YEAR ERVIN SHAMES 4 DIANE ALLISON 3 GEORGE BAUER 2 ANDREW WHITTINGHAM 1 JOSEPH MANN 1 FRED AFGRAGOLA 3 BARBARA BUTLER 2 DANIEL DEBARBA 8 VICTOR LISS 3 DAVID KOMANSKY 1 DAVID LEHN 3 MICHAEL MARKS 51 GARY REINER 1 ROLAND STICHWEH 1 WILLIAM TAMME 3 RICHARD ZELKOWITZ 2 ROBERT READY 3 THOMAS AYOUB 1 MARIA BORGES-LOPEZ 1 PAUL GAGNE 1 MARK GUDIS 1 ED KANGAS 1 ED MAHONEY 2

Identifier	Return Reference	Explanation
Other Changes in Net Assets or Fund Balances	Part XI, Line 5	Unrealized Loss (1,455,301) Trans FCMS (4,642,266) Trans NHF (765,289) Trans NHF 322,298 Trans NSC (2,100,000) Trans NHSC 1,914,719 Pension (25,149,518) Temp Restr 7,585,808 Perm Restr 10,534 PY NSC Contr (700,000) PY NSC Loss 258,904 K-1 Joint Venture 2010 (400) _____ Line 5 Total (24,720,511)

Identifier	Return Reference	Explanation
Compensation Committee	Schedule J, Part I, Line 3	The Compensation Committee is from Norwalk Health Services Corporation (NHSC) as per the NHSC Bylaws

SCHEDULE R (Form 990)

Related Organizations and Unrelated Partnerships

OMB No 1545-0047

2010

**Open to Public
Inspection**

Department of the Treasury
Internal Revenue Service

Name of the organization

Employer identification number

06-606885

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

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) Fairfield County Medical Services Inc 24 Stevens Street Norwalk, CT 06850 06-1522078	PHYS PRACTICE	CT	501(c)(3)	11B	NHA		
(2) NHC DBA Honey Hill Rehab & Nursing Ctr 34 Midrock Drive Norwalk, CT 06851 22-2577722	NURSING REHAB	CT	501(c)(3)	9	NHSC		
(3) Norwalk Health Services Corp 24 Stevens Street Norwalk, CT 06850 22-2577711	SUPPORT SVCS	CT	501(c)(3)	11B	NA		
(4) Norwalk Hospital Foundation 34 Maple Street Norwalk, CT 06856 22-2577708	FUNDRAISING	CT	501(c)(3)	7	NHSC		
(5) Advanced Center for Rehab Medicine 24 Stevens Street Norwalk, CT 06850 06-1304799	INACTIVE	CT	501(c)(3)	11B	NHSC		

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.)

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) Maple Street Indemnity Company Ltd							
40 Church St PO Box 2062							
Hamilton HM HX							
BD							
98-0549862							
(2) SWC CORPORATION							
24 STEVENS STREET							
NORWALK, CT06850							
22-2577718							

Part V Transactions With Related Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35, 35A, or 36.)**Note.** Complete line 1 if any entity is listed in Parts II, III or IV**1** During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

- a** Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity
- b** Gift, grant, or capital contribution to other organization(s)
- c** Gift, grant, or capital contribution from other organization(s)
- d** Loans or loan guarantees to or for other organization(s)
- e** Loans or loan guarantees by other organization(s)
- f** Sale of assets to other organization(s)
- g** Purchase of assets from other organization(s)
- h** Exchange of assets
- i** Lease of facilities, equipment, or other assets to other organization(s)
- j** Lease of facilities, equipment, or other assets from other organization(s)
- k** Performance of services or membership or fundraising solicitations for other organization(s)
- l** Performance of services or membership or fundraising solicitations by other organization(s)
- m** Sharing of facilities, equipment, mailing lists, or other assets
- n** Sharing of paid employees
- o** Reimbursement paid to other organization for expenses
- p** Reimbursement paid by other organization for expenses
- q** Other transfer of cash or property to other organization(s)
- r** Other transfer of cash or property from other organization(s)

	Yes	No
1a		No
1b	Yes	
1c	Yes	
1d		No
1e		No
1f		No
1g		No
1h		No
1i	Yes	
1j		No
1k	Yes	
1l	Yes	
1m		No
1n		No
1o	Yes	
1p	Yes	
1q	Yes	
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)				
See Additional Data Table				
(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.

Part VII Supplemental Information

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

Identifier	Return Reference	Explanation
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Software ID:**Software Version:****EIN:** 06-6068853**Name:** The Norwalk Hospital Association**Form 990, Schedule R, Part V - Transactions With Related Organizations**

	(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount Involved (\$)	(d) Method of determining amount involved
(1)	Fairfield County Medical Services Inc	i	133,194	
(2)	Fairfield County Medical Services Inc	i	4,229,918	
(3)	Fairfield County Medical Services Inc	p	9,581,910	
(4)	Maple Street Indemnity Company LTD	q	6,000,000	
(5)	Norwalk Health Care	k	1,580,698	
(6)	Norwalk Health Care	p	551,936	
(7)	Norwalk Health Care	r	288,302	
(8)	Norwalk Health Services Corporation	r	1,914,723	
(9)	Norwalk Health Services Corporation	q	180,000	
(10)	Norwalk Hospital Foundation	b	1,042,576	
(11)	Norwalk Hospital Foundation	c	2,045,335	
(12)	Norwalk Hospital Foundation	k	65,160	
(13)	Norwalk Hospital Foundation	p	1,459,740	
(14)	Norwalk Hospital Foundation	q	765,289	
(15)	Norwalk Hospital Foundation	r	2,050,000	
(16)	Norwalk Surgery Center	b	2,100,000	
(17)	SWC Corporation	k	138,000	
(18)	SWC Corporation	i	3,412,305	
(19)	SWC Corporation	p	232,206	
(20)	SWC Corporation	q	5,410,900	
(21)	SWC Corporation	r	2,230,900	

DISCLOSURE STATEMENT RELATED TO FORMS 5471, INFORMATION RETURN OF U S PERSONS WITH RESPECT TO CERTAIN FOREIGN CORPORATIONS, FILED ON BEHALF OF THE TAXPAYER

UNDER THE CONSTRUCTIVE OWNERSHIP RULES OF IRC SECTIONS 958(A) AND (B), THE TAXPAYER IS REQUIRED TO FILE FORMS 5471, INFORMATION RETURN OF U S PERSONS WITH RESPECT TO CERTAIN FOREIGN CORPORATIONS, AS A CATEGORY 5 FILER WITH RESPECT TO CERTAIN CONTROLLED FOREIGN CORPORATIONS (CFCS) THESE FILING REQUIREMENTS ARE OR WILL BE SATISFIED THROUGH THE FILING OF FORMS 5471 FOR THESE CFCS BY OTHER U S TAXPAYERS IDENTIFIED BELOW WHO HAVE THE SAME FILING REQUIREMENT

TAXPAYER NAME **NORWALK HEALTH SERVICES CORPORATION**

ADDRESS **24 STEVENS STREET, NORWALK, CT 06850**

IDENTIFYING NUMBER OF U S TAX RETURN WITH WHICH THE FORMS 5471 WERE OR WILL BE FILED

22-2577711

IRS SERVICE CENTER WHERE U S TAX RETURN WAS OR WILL BE FILED **E-FILED**

Norwalk Hospital Association
Consolidated Financial Statements
September 30, 2011 and 2010

**Norwalk Hospital Association
Index
September 30, 2011 and 2010**

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Report of Independent Auditors

To the Board of Trustees of
Norwalk Hospital Association

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, of changes in net assets, and of cash flows present fairly, in all material respects, the consolidated financial position of Norwalk Hospital Association (the "Hospital") at September 30, 2011 and 2010, and the results of its operations, its changes in net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of Norwalk Hospital Association's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in Note 1, the Hospital adopted new guidance related to the presentation of non-controlling interests in consolidating entities.

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating information, on pages 21 through 26, is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and results of operations of the individual companies. Accordingly, we do not express an opinion on the financial position and results of operations of the individual companies. However, the consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

PricewaterhouseCoopers LLP

January 26, 2012

Norwalk Hospital Association
Consolidated Balance Sheets
Years Ended September 30, 2011 and 2010

	2011	2010
Assets		
Current assets		
Cash and cash equivalents	\$ 66,806,594	\$ 26,795,300
Investments	8,693,538	8,655,334
Patient accounts receivable, less allowance for doubtful accounts of \$25,800,000 and \$21,300,000, respectively	37,323,187	40,941,651
Due from affiliates, net	2,640,682	446,142
Other receivables	949,635	1,472,685
Inventories	1,964,675	2,361,637
Prepaid expenses	2,785,293	1,831,130
Assets whose use is limited - required for current liabilities	<u>372,429</u>	<u>371,800</u>
Total current assets	<u>121,536,033</u>	<u>82,875,679</u>
Assets whose use is limited		
Assets held by trustee under bond indenture agreements	15,111,873	1,075,930
Assets held in trust for self-insurance	<u>4,567,394</u>	<u>5,954,228</u>
Total assets whose use is limited	<u>19,679,267</u>	<u>7,030,158</u>
Long-term investments	21,526,072	21,535,624
Other assets	1,079,632	804,311
Non Compete	7,547,810	-
Due from third party agencies	2,715,774	4,244,774
Notes receivable	1,387,672	2,019,947
Goodwill	15,097,582	2,900,333
Investment in joint venture	2,729,803	2,729,803
Beneficial interest in Norwalk Hospital Foundation, Inc	36,399,874	28,803,532
Property, plant and equipment		
Land and land improvements	2,727,368	2,677,639
Buildings	146,977,766	143,200,619
Equipment	233,652,063	221,634,356
Construction in progress	22,713,647	5,120,280
Accumulated depreciation	<u>(277,748,018)</u>	<u>(261,142,100)</u>
Total property, plant and equipment	<u>128,322,826</u>	<u>111,490,794</u>
Total assets	<u>\$ 358,022,345</u>	<u>\$ 264,434,955</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 26,817,229	\$ 19,791,066
Accrued compensation	19,374,751	18,652,987
Due to third party agencies	4,525,191	1,001,192
Accrued interest	809,088	141,774
Current portion of long-term debt	4,887,563	1,667,606
Current portion of capital lease	9,649	8,447
Total current liabilities	<u>56,423,471</u>	<u>41,263,072</u>
Accrued pension liability	60,019,814	37,851,799
Asset retirement obligation	11,509,090	10,212,507
Other liabilities	16,518,934	14,731,550
Due to third party agencies	14,726,335	9,650,070
Long-term debt, less current portion	61,717,853	15,742,952
Capital lease, less current portion	7,180	16,826
Total liabilities	<u>220,922,677</u>	<u>129,468,776</u>
Net assets		
Unrestricted attributable to Norwalk Hospital	105,557,071	111,690,517
Unrestricted attributable to non controlling interest	670,593	-
Temporarily restricted	21,432,761	13,846,953
Permanently restricted	<u>9,439,243</u>	<u>9,428,709</u>
Total net assets	<u>137,099,668</u>	<u>134,966,179</u>
Total liabilities and net assets	<u>\$ 358,022,345</u>	<u>\$ 264,434,955</u>

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

Norwalk Hospital Association
Consolidated Statements of Operations
Years Ended September 30, 2011 and 2010

	2011	2010
Operating revenues		
Net revenues from services to patients	\$ 350,611,400	\$ 326,580,262
Other operating revenues	22,891,536	24,258,085
Change in unrestricted interest in Norwalk Hospital Foundation, Inc	-	32,601
Total operating revenues	<u>373,502,936</u>	<u>350,870,948</u>
Operating expenses		
Salaries and benefits	189,267,604	189,146,552
Supplies and other expenses	123,631,162	113,349,004
Depreciation	19,175,533	20,003,428
Provision for bad debts	20,654,069	23,255,695
Interest	1,530,916	646,398
Support for Norwalk Hospital Foundation, Inc	1,042,576	1,428,713
Total operating expenses	<u>355,301,860</u>	<u>347,829,790</u>
Income from operations prior to restructuring expense	18,201,076	3,041,158
Restructuring expense	-	(3,934,121)
(Loss) income from operations	<u>18,201,076</u>	<u>(892,963)</u>
Nonoperating income (expense)		
Investment income	798,565	866,620
Net unrealized (loss) gain on investments	<u>(1,455,301)</u>	<u>1,485,361</u>
Total nonoperating (loss) income	<u>(656,736)</u>	<u>2,351,981</u>
Excess of revenues over expenses, before non-controlling interest	17,544,340	1,459,018
Change in value attributable to non controlling interest	(529,407)	-
Excess of revenues over expenses	<u>17,014,933</u>	<u>1,459,018</u>
Other changes in net assets		
Transfers from Norwalk Health Services Corporation	1,914,723	-
Transfers from Norwalk Hospital Foundation, Inc	322,298	1,549,506
Funding of operations of Norwalk Hospital Foundation, Inc	(765,289)	(362,133)
Transfers from Norwalk Surgery Center, LLC	1,200,000	-
Pension related changes other than net periodic benefit cost	<u>(25,149,518)</u>	<u>(9,474,579)</u>
Decrease in unrestricted net assets	<u>\$ (5,462,853)</u>	<u>\$ (6,828,188)</u>

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

Norwalk Hospital Association
Consolidated Statements of Changes in Net Assets
Years Ended September 30, 2011 and 2010

	2011	2010
Unrestricted net assets		
Excess of revenues over expenses	\$ 17,014,933	\$ 1,459,018
Transfers from Norwalk Health Services Corporation	1,914,723	-
Transfers from Norwalk Hospital Foundation, Inc	322,298	1,549,506
Funding of operations of Norwalk Hospital Foundation, Inc	(765,289)	(362,133)
Transfers from Norwalk Surgery Center	1,200,000	-
Pension related changes other than net periodic benefit cost	<u>(25,149,518)</u>	<u>(9,474,579)</u>
Decrease in unrestricted net assets	(5,462,853)	(6,828,188)
Temporarily restricted net assets		
Change in beneficial interest in Norwalk Hospital Foundation, Inc	7,585,808	120,510
Increase in temporarily restricted net assets	7,585,808	120,510
Permanently restricted net assets		
Change in beneficial interest in Norwalk Hospital Foundation, Inc	<u>10,534</u>	<u>85,066</u>
Increase in permanently restricted net assets	<u>10,534</u>	<u>85,066</u>
Increase (decrease) in net assets	<u>2,133,489</u>	<u>(6,622,612)</u>
Net assets, beginning of year	<u>134,966,179</u>	<u>141,588,791</u>
Net assets, end of year	<u><u>\$ 137,099,668</u></u>	<u><u>\$ 134,966,179</u></u>

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

Norwalk Hospital Association
Consolidated Statements of Cash Flows
Years Ended September 30, 2011 and 2010

	2011	2010
Operating activities		
Change in net assets	\$ 2,133,489	\$ (6,622,612)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Noncash items		
Depreciation and amortization	19,175,533	20,003,428
(Loss) gain on sale of property, plant and equipment	(800)	5,530
Provision for bad debts	20,654,069	23,255,695
Writeoff of investment in joint venture	-	-
Net realized and unrealized (gain) loss on investments	659,747	(1,620,261)
Pension related changes other than net periodic benefit cost	25,149,518	9,474,579
Net asset items		
Transfers to (from) Norwalk Hospital Foundation, Inc	442,991	(1,187,373)
Transfer from Norwalk Health Services Corporation	(1,914,723)	-
Change in beneficial interest in Norwalk Hospital Foundation, Inc	(7,596,342)	(238,177)
Changes in operating assets and liabilities		
Accounts receivable	(17,035,605)	(21,851,482)
Due from affiliates	(2,194,540)	(485,695)
Other receivables	523,050	1,023,799
Inventories	529,255	(37,704)
Prepaid expenses	(832,584)	548,027
Other assets	(275,321)	(184,228)
Notes receivable	(59,080)	(105,960)
Accounts payable and accrued expenses	2,031,313	2,334,261
Accrued compensation	721,764	3,304,538
Due to third-party reimbursement agencies, net	10,129,264	853,120
Accrued interest	667,314	(11,820)
Accrued pension liability	(2,981,503)	(2,852,989)
Asset retirement obligation	1,296,583	1,972,357
Other liabilities	1,787,384	(3,058,645)
Net cash provided by operating activities	<u>53,010,776</u>	<u>24,518,388</u>
Investing activities		
Net (increase) decrease in assets whose use is limited	(12,643,839)	1,253,522
Sale of investments	4,226	612,308
Purchase of investments	(698,524)	(756,782)
Additions to property, plant and equipment	(28,100,123)	(15,003,326)
Proceeds from sale of property, plant and equipment	4,000	23,400
Acquisition of radiology imaging center	(22,914,723)	-
Advances to joint venture	-	(1,000)
Net cash used by investing activities	<u>(64,348,983)</u>	<u>(13,871,878)</u>
Financing activities		
Transfers (to) from Norwalk Hospital Foundation, Inc	(442,991)	1,187,373
Transfers from Norwalk Health Services Corporation	1,914,723	-
Payments on notes receivable	691,355	162,842
Proceeds from long-term debt	50,840,000	-
Payments on capital lease	(8,444)	(11,532)
Payments on long-term debt	(1,645,142)	(1,800,462)
Net cash provided by (used by) financing activities	<u>51,349,501</u>	<u>(461,779)</u>
Increase in cash and cash equivalents	40,011,294	10,184,731
Cash and cash equivalents		
Beginning of year	26,795,300	16,610,569
End of year	<u>\$ 66,806,594</u>	<u>\$ 26,795,300</u>
Noncash transactions		
Fixed assets expenditures included in accounts payable	\$ 5,332,488	\$ 337,638
Capitalized interest	940,110	149,970

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

Norwalk Hospital Association
Notes to Consolidated Financial Statements
September 30, 2011 and 2010

1. Organization and Significant Accounting Policies

Norwalk Hospital Association (the "Hospital"), a not-for-profit organization incorporated under the General Statutes of the State of Connecticut, is a wholly-owned subsidiary of Norwalk Health Services Corporation. The Board of the Hospital, appointed by Norwalk Health Services Corporation, controls the operations of the Hospital.

Principles of Consolidation

The consolidated Norwalk Hospital Association financial statements include the accounts of the Hospital, its wholly-owned subsidiary, Fairfield County Medical Services, Inc., and its majority interest in Norwalk Surgery Center, LLC. All significant intercompany accounts and transactions are eliminated in consolidation.

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 amounts reported in the financial statements and accompanying footnotes. Actual results could differ from those estimates. Significant estimates reflected in the consolidated financial statements include the contractual and bad debt allowances for patient service revenue and the related patient accounts receivable, valuation of the intangible asset from acquisition, estimated settlements due to or from third parties, the asset retirement obligation, reserves for malpractice, workers' compensation and other self-insured liabilities, and benefit plan assumptions.

Income Taxes

The Hospital and Fairfield County Medical Services, Inc. are not-for-profit corporations as described in Section 501(c) (3) of the Internal Revenue Code and are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code.

Regulatory Matters

The Hospital is required to file annual operating information with the State of Connecticut Office of Health Care Access ("OHCA").

Cash Equivalents

The Hospital and its subsidiary consider all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The carrying value of cash equivalents approximates its fair value.

Concentration of Credit Risk

Cash and cash equivalents are maintained with domestic institutions. Management monitors the financial strength of those institutions.

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are recorded at fair value, based upon quoted market prices. 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.

Norwalk Hospital Association
Notes to Consolidated Financial Statements
September 30, 2011 and 2010

Fair Value Measurements

The Hospital records investments in the financial statements at fair value. Fair value is a market-based measurement based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering assumptions, a three-tier fair value hierarchy has been established which prioritizes the inputs used to measure fair value. The three levels of the fair value hierarchy under this principle are as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets and liabilities in active markets that the Hospital has the ability to access

Level 2 - Inputs to the valuation methodology include

- quoted prices for similar assets and liabilities in active markets,
- quoted prices for identical or similar assets and 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 and liability has a specified term, the level 2 input must be observable for substantially the full term of the asset and liability

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement

The asset's 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

The fair values of the Hospital's investments are based on quoted market values

Fair Value Option

The Hospital elected to measure its investments at fair value. Accordingly, unrealized gains and losses on investments are included in excess of revenues over expenses

Assets Whose Use is Limited

Assets limited as to use primarily include assets held by trustees under indenture agreements and assets held by trustee for self insurance

Inventories

Inventories are stated at the lower of cost, determined on the first-in, first-out (FIFO) method, or market

Investments in Joint Ventures

The Hospital has invested in a joint venture which is accounted for under the equity method of accounting

Property, Plant and Equipment

Property, plant and equipment are recorded at cost, or if received as a donation, at the fair value on the date received. The Hospital provides for depreciation of property, plant and equipment using the straight-line method in amounts sufficient to amortize the cost of the assets over their estimated useful lives. Useful lives assigned to assets are as follows: Land Improvements - 2-25 years, Buildings - 15-40 years, and Equipment - 3-20 years

Norwalk Hospital Association
Notes to Consolidated Financial Statements
September 30, 2011 and 2010

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use has been limited by donors to a specific time frame or purpose. Permanently restricted net assets have been restricted by donors to be maintained in perpetuity.

Medical Malpractice Self-Insurance

As of October 1, 2005, the Hospital is insured for general liability and professional liability claims by Maple Street Indemnity Company, Ltd ("MSI"). MSI, a wholly owned subsidiary of Norwalk Health Services Corporation, is a captive insurance company, incorporated under the laws of the Bermuda Monetary Authority. The Hospital has obtained professional liability coverage through MSI of \$35,000,000 per claim and \$48,000,000 and \$50,000,000 in the aggregate in fiscal 2011 and 2010, respectively. MSI purchases \$30,000,000 of excess reinsurance coverage above a self-insured retention of \$5,000,000 per claim and \$18,000,000 and \$20,000,000 in the aggregate for fiscal 2011 and 2010, respectively.

The Hospital established an irrevocable trust for the purpose of setting aside assets to pay general and professional liability claims incurred prior to the formation of MSI on October 1, 2005 based on actuarial funding recommendations. Under the trust agreement, the trust assets can only be used for payment of malpractice losses, related expenses, and the cost of administering the trust. The assets of, and contributions to, the trust are reported as part of unrestricted net assets, income from the trust assets and administrative costs are reported in the statement of operations. Management accrues its best estimate of malpractice losses as they occur.

Fair Value of Financial Instruments

The carrying value of cash and cash equivalents, short term investments, accounts receivable, other receivables, assets limited as to use, investments, accounts payable and accrued liabilities at the balance sheet dates approximate their fair values. The fair value of long-term debt at the balance sheet dates, based on current market rates for similar debt, was approximately \$75,094,000 and \$19,233,000 in 2011 and 2010, respectively. The carrying value of debt is \$66,605,000 and \$17,410,558 in 2011 and 2010, respectively.

Beneficial Interest in the Norwalk Hospital Foundation, Inc.

The Hospital has recorded its beneficial interest in the net assets of Norwalk Hospital Foundation, Inc (the "Foundation").

Statement of Operations

The consolidated statement of operations includes the excess of revenues over expenses. Changes in unrestricted net assets which are excluded from excess of revenues over expenses, consistent with industry practice, includes pension-related changes other than net periodic benefit cost, transfers from Norwalk Health Services Corporation, Norwalk Hospital Foundation, Inc, and Norwalk Surgery Center, LLC, and funding of operations of Norwalk Hospital Foundation, Inc.

Nonoperating Income

Activities, other than in connection with providing health care services, are considered to be nonoperating. Nonoperating income (expense) primarily consists of investment income and realized and unrealized gains and losses on investments.

Norwalk Hospital Association
Notes to Consolidated Financial Statements
September 30, 2011 and 2010

Asset Retirement Obligation

The Hospital records a liability for legal obligations associated with the retirement of tangible long-lived assets when the timing and/or method of settlement of the obligation is conditional on a future event. The fair value of a liability for a conditional asset retirement obligation is recognized in the period in which it occurred if a reasonable estimate of fair value can be made.

Implementation of Accounting Standards

Effective October 1, 2010, the Hospital adopted ASU *Not-for-Profit Entities Mergers and Acquisitions*. This guidance impacts the financial statement treatment of non-controlling interests in consolidated entities. This guidance requires the Hospital to report non-controlling interests in consolidated entities as a separate component of net assets on the Balance Sheet and the change in net assets attributable to the non-controlling interests separately within the *Statements of Changes in Net Assets*. The Hospital has consolidated non-controlling interests relating to its investment in Norwalk Surgery Center, LLC under ASU 2010-7. These non-controlling interests represent the portion of the Norwalk Surgery Center, LLC not controlled by the Hospital, but are required to be presented on the Hospital's balance sheet under generally accepted accounting principles. These interests were approximately \$671,000 as of September 30, 2011.

2. Revenues From Services to Patients and Charity Write-Offs

The following table summarizes revenues from services to patients:

	2011	2010
Gross revenues from services to patients	\$ 853,958,106	\$ 741,032,515
Deductions and exclusions		
Allowances	<u>503,346,706</u>	<u>414,452,253</u>
Net revenues from services to patients	<u>\$ 350,611,400</u>	<u>\$ 326,580,262</u>

Revenues and patient accounts receivable are recorded when patient services are performed. Amounts received from certain payors are different from established billing rates, and these differences are accounted for as allowances.

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered. Revenue under third-party payor agreements is subject to audit and retroactive adjustments. Provisions for estimated third-party payor settlements and adjustments are estimated in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Inpatient acute care services rendered to Medicare program recipients are paid at prospectively determined rates per discharge varying according to the intensity of services required. Inpatient acute care services are paid based on Diagnosis-Related Groups ("DRG"), inpatient rehabilitation services are paid based on Case Mix Groups ("CMG"), and inpatient psychiatry services are paid on a prospective per diem rate. Outpatient services are reimbursed by Medicare on an Ambulatory Payment Classification ("APC") basis and fee screens. Hospital claims for reimbursement are subject to review and audit. The Hospital's Medicare costs reports have been final settled with the Medicare fiscal intermediary through 2006.

Norwalk Hospital Association
Notes to Consolidated Financial Statements
September 30, 2011 and 2010

Inpatient Medicaid reimbursement through the Connecticut Department of Social Services ("DSS") is reimbursed on a per diem basis with settlement cost reports based on discharges filed in the subsequent fiscal year. Outpatient activity through DSS is reimbursed based on fee schedules in effect at the time the service is provided. Managed Medicaid services are reimbursed according to per diems and fee schedules in place at the time the service is provided.

The Hospital has agreements with various Health Maintenance Organizations (HMOs) to provide medical services to subscribing participants. Under these agreements, the Hospital receives fee-for-service payments for covered services based upon discounted fee schedules.

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

	2011	2010
Commercial/other	56 %	52 %
Medicare	27	30
Self pay	8	10
Medicaid	9	8
	<hr/> 100 %	<hr/> 100 %

The mix of net receivables from patients and third-party payors at September 30, 2011 and 2010 are as follows:

	2011	2010
Commercial/other	76 %	70 %
Medicare	20	26
Self pay	-	1
Medicaid	4	3
	<hr/> 100 %	<hr/> 100 %

Laws and regulations governing the Medicare and Medicaid programs are extremely complex and are subject to interpretation. While the Hospital believes it is in compliance with all such applicable laws and regulations, as referenced in footnote 11, compliance with such laws and regulations is subject to government review and interpretation and can result in significant regulatory action including fines, penalties and exclusion from the Medicare and Medicaid programs. As a result, there is at least a reasonable possibility that recorded estimates can change by material amounts. In addition, changes in the Medicare and Medicaid programs and the reduction of funding levels could have an adverse impact on the Hospital.

The Hospital accepts all patients regardless of their ability to pay. A patient is classified as a charity patient by reference to the established policies of the Hospital. These policies define charity services as those services for which no payment is anticipated. In assessing a patient's ability to pay, the Hospital utilizes the generally recognized poverty income levels for the state, but also includes certain cases where incurred charges are significant when compared to income published in the Federal Register. For the years ended September 30, 2011 and 2010, the Hospital provided charity care of approximately \$17,327,000 and \$18,026,000, respectively, in charges.

Norwalk Hospital Association
Notes to Consolidated Financial Statements
September 30, 2011 and 2010

3. Investments

Investments are stated at fair value. The composition of investments as of September 30 is as follows

	2011	2010
General investments		
Cash and cash equivalents	\$ 8,693,538	\$ 8,655,334
Mutual funds	<u>21,526,072</u>	<u>21,535,624</u>
	<u>\$ 30,219,610</u>	<u>\$ 30,190,958</u>
Assets held in trust for self-insurance		
Cash and cash equivalents	\$ 4,567,394	\$ 2,765,603
Mutual funds	<u>-</u>	<u>3,188,625</u>
	<u>\$ 4,567,394</u>	<u>\$ 5,954,228</u>
Assets held by trustee per bond indenture		
Cash and cash equivalents	\$ 15,149,873	\$ 1,076,626
U S Treasury obligations	<u>334,429</u>	<u>371,104</u>
	<u>\$ 15,484,302</u>	<u>\$ 1,447,730</u>

As described in Note 1, investments are recorded at fair value. The Hospital endeavors to utilize the best available information in measuring fair value. The following table presents the financial instruments carried at fair value

	2011			
	Level 1	Level 2	Level 3	Fair Value
General investments				
Cash and cash equivalents	\$ 8,693,537	\$	-	\$ 8,693,537
Mutual funds	<u>21,526,073</u>	<u>-</u>	<u>-</u>	<u>21,526,073</u>
	<u>30,219,610</u>	<u>-</u>	<u>-</u>	<u>30,219,610</u>
Assets whose use is limited				
Cash and cash equivalents	19,717,267			19,717,267
U S Treasury obligations	334,429			334,429
Mutual funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>20,051,696</u>	<u>-</u>	<u>-</u>	<u>20,051,696</u>
	<u>\$ 50,271,306</u>	<u>\$</u>	<u>-</u>	<u>\$ 50,271,306</u>

Norwalk Hospital Association
Notes to Consolidated Financial Statements
September 30, 2011 and 2010

	2010			
	Level 1	Level 2	Level 3	Fair Value
General investments				
Cash and cash equivalents	\$ 8,655,334	\$ -	\$ -	\$ 8,655,334
Mutual funds	21,535,624	-	-	21,535,624
	<u>30,190,958</u>	<u>-</u>	<u>-</u>	<u>30,190,958</u>
Assets whose use is limited				
Cash and cash equivalents	3,842,229	-	-	3,842,229
U S Treasury obligations	371,104	-	-	371,104
Mutual funds	3,188,626	-	-	3,188,626
	<u>7,401,959</u>	<u>-</u>	<u>-</u>	<u>7,401,959</u>
	<u>\$ 37,592,917</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,592,917</u>

There were no transfers of assets between levels for the year ended September 30, 2011

Interest income and net realized gains and losses from investments, cash equivalents, and other investments comprise the following

	2011	2010
Investment return		
Interest income	\$ 840,283	\$ 1,052,037
Net realized gains on sales of securities	<u>795,554</u>	<u>134,900</u>
	<u>\$ 1,635,837</u>	<u>\$ 1,186,937</u>

The Hospital has recorded \$796,825 and \$866,620 of the investment return as nonoperating gains for the years ended September 30, 2011 and 2010, respectively. The remaining investment income in 2011 and 2010 has been recorded as other operating revenues as certain investments relate to operating activities of the Hospital

4. Leases

The Hospital leases property and equipment under noncancelable operating leases that expire in various years through 2028. Certain leases may be renewed at the end of their term

Norwalk Hospital Association
Notes to Consolidated Financial Statements
September 30, 2011 and 2010

Future minimum payments under noncancelable operating leases, and future receipts under noncancelable subleases where the Hospital is receiving rental receipts, with initial terms of one year or more consisted of the following at September 30, 2011

	Operating Lease Payments	Sublease Rental Receipts
2012	\$ 6,932,000	\$ 2,827,000
2013	6,775,000	2,840,000
2014	6,742,000	2,869,000
2015	6,676,000	2,934,000
2016	6,750,000	3,007,000
Thereafter	<u>66,378,000</u>	<u>11,987,000</u>
	<u>\$ 100,253,000</u>	<u>\$ 26,464,000</u>

Rental expense was approximately \$8,336,000 and \$7,435,000 for the years ended September 30, 2011 and 2010, respectively. Rental expense was offset by rental revenue of approximately \$2,525,000 and \$2,208,000, respectively, for net rental expense of approximately \$5,811,000 and \$5,227,000, respectively. An amount of \$393,000 and \$801,000, respectively, of the net rental expense is included in other operating revenues and \$5,418,000 and \$4,426,000, respectively, is included in supplies and other expenses on the consolidated statements of operations.

5. Goodwill

In 2011, the Hospital recorded goodwill of \$13,843,749 related to the acquisition of Norwalk Radiology and Mammography Center ("NRMC"). The Hospital will assess the goodwill for impairment on an annual basis.

In 2009, the Hospital purchased a physician practice. The Hospital paid consideration of \$1,866,755 of which \$1,620,000 was recorded as goodwill. Accumulated impairment as of September 30, 2011 and 2010 amounted to \$837,000 and \$513,000, respectively.

The Hospital maintains goodwill associated with a purchase of a diagnostic imaging service practice. The Hospital paid \$3,362,500 in consideration all of which was recorded as goodwill. In fiscal 2011, the Hospital recorded impairment of goodwill associated with the purchase due to reduced radiology volume. Accumulated impairment as of September 30, 2011 and 2010 amounted to \$2,891,667 and \$1,569,167, respectively.

6. Long-Term Debt

The Hospital has outstanding State of Connecticut Health and Educational Facilities Authority ("CHEFA") Revenue Bonds, Series E issued under a Master Trust Indenture with the Hospital, Norwalk Health Care, Inc., and the Foundation (collectively, the "Obligated Group"). The Series E bonds mature serially through 2022 with interest at a net average annual rate of 4.41%. Interest on the bonds is payable semi-annually each January 1 and July 1. As of September 30, 2011, the Series E outstanding debt is \$9,220,000.

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Notes to Consolidated Financial Statements
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The bonds are collateralized by the debt service reserve fund, and other funds held by the Bond Trustee as well as the gross receipts of the Obligated Group. The outstanding principal amount of the Obligated Group's loan obligation at September 30, 2011 and 2010 is \$63,865,000 and \$18,180,000, respectively.

The Series E are subject to early redemption at the option of the Hospital, at established redemption prices.

The Series E bonds are subject to mandatory sinking fund redemptions on each July 1, commencing July 1, 2015. The Series E bonds maturing on July 1, 2022, are subject to mandatory sinking fund redemption on each July 1, commencing July 1, 2020.

In 2011, the Hospital financed the construction of the parking garage and other equipment through a private placement as CHEFA Series G, H and I, which issued \$46,840,000 in debt under the existing Master Trust Indenture.

The Series G bonds totaling \$25,000,000 mature serially through 2025 with interest at an annual rate of 5.12%. Interest on the bonds is payable semi annually each June and December 1. As of September 30, 2011, the Series G outstanding debt is \$25,000,000.

The Series H bonds totaling \$10,040,000 mature serially through 2020 with interest at an annual rate of 3.49%. Interest on the bonds is payable semi annually each June and December 1. As of September 30, 2011, the Series H outstanding debt is \$10,040,000.

The Series I bonds totaling \$11,800,000 mature serially through 2020 with interest at an annual rate of 3.4%. Interest on the bonds is payable semi annually each June and December 1. As of September 30, 2011, the Series I outstanding debt is \$11,800,000.

In 2011, Norwalk Surgery Center, LLC obtained a \$4,000,000 seven year term loan from The Bank of Fairfield. The loan bears interest at a fixed rate of 4.875%. Monthly payments of interest only are required for the first eighteen months of the loan. Thereafter, monthly payments of principal and interest are required based upon a five and one-half year amortization schedule. The loan is secured by a first lien on all business assets of Norwalk Surgery Center, LLC.

In 2007, the Hospital financed certain equipment related to an energy project through CHEFA, which issued \$9,066,025 in debt under a Master Financing Agreement (the "Agreement"), dated as of April 1, 2007 with Bank of America Public Capital Corp as the lender (the "Lender"). The loan is payable in 120 equal installments of \$93,432 beginning June 3, 2007, with interest of 4.38%. The Hospital has granted a collateral interest to the Lender in the equipment financed. As of September 30, 2011, the CHEFA outstanding debt is \$5,604,000.

In connection with this borrowing, the Hospital applied to the Department of Public Utility Control ("DPUC") for a capital grant for customer-side distributed resources. Pursuant to the application, DPUC has approved a rate reduction subsidy with regard to certain of the equipment financed under this Agreement. Effective July 3, 2010, the rate reduction subsidy of \$1,302 per month is remitted by the Connecticut Light and Power Company directly to the Lender.

In 2007, the Hospital entered into an agreement with the Connecticut Hospital Association Trust (the "Trust") to borrow up to \$2,000,000 from the energy conservation and load management loan fund. The loan, which is interest free, will enable the Hospital to convert electrical energy and to manage its electrical energy needs. As of September 30, 2011 and 2010, \$941,496 and

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\$1,188,602, respectively, was outstanding under the agreement. The loan is payable in 84 equal monthly installments of \$22,462, beginning April 1, 2008. As of September 30, 2011, the Trust outstanding debt is \$941,000.

The following table summarizes the long-term debt outstanding as of September 30, 2011.

	Norwalk Hospital	Surgery Center, LLC	Total
2012	\$ 4,834,597	\$ 52,966	\$ 4,887,563
2013	5,025,862	652,628	5,678,490
2014	5,223,589	685,164	5,908,753
2015	5,296,052	719,323	6,015,375
2016	5,389,094	755,184	6,144,278
Thereafter	<u>36,836,222</u>	<u>1,134,735</u>	<u>37,970,957</u>
	62,605,416	4,000,000	66,605,416
Less current portion of long-term debt	<u>4,834,597</u>	<u>52,966</u>	<u>4,887,563</u>
Long-term debt	<u>\$ 57,770,819</u>	<u>\$ 3,947,034</u>	<u>\$ 61,717,853</u>

During 2011 and 2010, the Hospital paid interest of \$1,723,690 and \$808,188, respectively, on its long-term debt obligations. Interest capitalized for the years ended September 30, 2011 and 2010 was approximately \$940,000 and \$150,000, respectively.

7. Benefit Plans

The Hospital has a defined benefit pension plan covering all eligible employees. The benefits are based on years of service and the employee's average compensation (as defined in the Plan document). The Hospital's funding policy is to contribute, for each plan year, an amount necessary to satisfy the Employee Retirement Income Security Act ("ERISA") minimum funding requirements.

Effective December 31, 2006, an amendment froze participation in the plan. Individuals hired on or after January 1, 2007 are ineligible to participate in the plan.

Amounts included as a reduction of unrestricted net assets that are not yet recognized as a component of net periodic benefit cost are as follows:

	2011	2010
Net actuarial loss	\$ 94,565,193	\$ 68,803,670
Prior service cost	1,130,837	1,742,842
	<u>\$ 95,696,030</u>	<u>\$ 70,546,512</u>

The amount of prior service cost and actuarial loss expected to be recognized in net periodic benefit cost in 2012 is \$4,822,292.

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The following is a summary of the changes in the projected benefit obligation and plan assets

Funded status and accrued pension liability	<u>\$ (60,019,814)</u>	<u>\$ (37,851,799)</u>
	2011	2010
Accumulated benefit obligation	<u>\$ 183,920,145</u>	<u>\$ 166,752,098</u>
Change in projected benefit obligation		
Benefit obligation, beginning of period	\$ 175,101,725	\$ 154,845,948
Service cost	6,250,268	6,225,852
Interest cost	8,875,690	8,467,557
Actuarial loss	16,603,824	12,583,922
Benefits paid	<u>(7,567,879)</u>	<u>(7,021,554)</u>
Benefit obligation, end of period	<u>\$ 199,263,628</u>	<u>\$ 175,101,725</u>
Change in plan assets		
Fair value of plan assets, beginning of period	\$ 137,249,926	\$ 123,615,739
Actuarial return on plan assets	(438,233)	11,655,741
Contributions	10,000,000	9,000,000
Benefits paid	<u>(7,567,879)</u>	<u>(7,021,554)</u>
Fair value of plan assets, end of period	<u>\$ 139,243,814</u>	<u>\$ 137,249,926</u>
Funded status and accrued pension liability	<u>\$ (60,019,814)</u>	<u>\$ (37,851,799)</u>

Components of net periodic benefit cost for the year ended September 30

	2011	2010
Service cost	\$ 6,250,268	\$ 6,225,852
Interest cost	8,875,690	8,467,557
Expected return on plan assets	(12,010,289)	(11,290,183)
Net amortization and deferral	<u>3,902,828</u>	<u>2,743,785</u>
Net periodic benefit cost	<u>\$ 7,018,497</u>	<u>\$ 6,147,011</u>

Assumptions

The weighted-average assumptions used to determine the year-end benefit obligation at September 30, 2011 and 2010 are as follows

	2011	2010
Discount rate	4 68 %	5 17 %
Rate of compensation increase	3 50%	3 50 %

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The weighted-average assumptions used to determine net periodic benefit cost for the year ended September 30 are as follows

	2011	2010
Discount rate	5 17 %	5 60 %
Expected return on assets	8 00 %	8 00 %
Rate of compensation increase	3 50 %	4 00 %

The Hospital's expected long-term rate of return on assets assumption is derived from a review of anticipated future long-term performance of individual asset classes and consideration of the appropriate asset allocation strategy given the anticipated requirements of the plan to determine the average rate of earnings expected on the funds invested to provide for the pension plan benefits. While the review gives appropriate consideration to recent fund performance and historical returns, the assumption is primarily a long-term, prospective rate.

Plan Assets

The Hospital's pension plan asset allocations at September 30, 2011 and 2010 are as follows

Asset Category	2011	2010
Equity securities	56 %	58 %
Debt securities	44 %	42 %
Total	100 %	100 %

The Hospital maintains target allocation percentages among various asset classes based on an investment policy established for the pension plan which is designed to achieve, long-term objectives of return, while mitigating against downside risk and considering expected cash flows. The current weighted-average target asset allocation is 60% equity securities and 40% debt securities. The investment policy is reviewed from time to time to ensure consistency with the long-term objective of funding the plan to a level sufficient to pay benefits as they become due.

The defined benefit plan assets categorization is based upon the lowest level of input that is significant to the fair value measurement within the valuation hierarchy. The following table summarizes the Hospital's fair values of investments by major type held by the defined benefit plan at September 30.

	2011			
	Level 1	Level 2	Level 3	Fair Value
Cash and cash equivalents	\$ 636,617	\$ -	\$ -	\$ 636,617
Mutual funds	138,415,668			138,415,668
Unallocated immediate participation group annuity contract		191,529		191,529
	<u>\$ 139,052,285</u>	<u>\$ 191,529</u>	<u>\$ -</u>	<u>\$ 139,243,814</u>

Norwalk Hospital Association
Notes to Consolidated Financial Statements
September 30, 2011 and 2010

Contributions

The Hospital expects to contribute \$10,000,000 to the plan in fiscal 2012

Estimated Future Benefit Payments

The following future benefit payments are expected to be paid

Fiscal Year	Benefit Payments
2012	\$ 6,742,000
2013	7,038,000
2014	7,351,000
2015	7,709,000
2016	8,180,000
2017 - 2021	<u>50,459,000</u>
	<u>\$ 87,479,000</u>

The Hospital also sponsors a defined contribution savings plan covering substantially all of its employees. Effective January 1, 2007, the plan was split into two parts. Part I is for eligible employees who have a date of employment on or before December 31, 2006. Part II is for eligible employees who have a date of employment on January 1, 2007 or thereafter. Elective deferrals and after tax contributions are made pursuant to a salary reduction agreement for Part I and Part II employees.

For Part I employees, the Hospital provides a partial matching contribution on the first 3% of an employee's elective deferred and/or after tax contributions.

For Part II employees, the Hospital provides a partial matching contribution on the first 3% of an employee's elective deferral and/or after tax contributions. Part II employees will also receive a required employer contribution equal to 3% of such employee's compensation.

Expense related to the Hospital's defined contribution plan was approximately \$2,841,000 and \$2,697,000 for the years ended September 30, 2011 and 2010, respectively.

8. Temporarily and Permanently Restricted Net Assets

The Hospital's temporarily and permanently restricted net assets represent its beneficial interest in the Foundation.

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

	2011	2010
Healthcare services	<u>\$ 21,432,761</u>	<u>\$ 13,846,953</u>

Norwalk Hospital Association
Notes to Consolidated Financial Statements
September 30, 2011 and 2010

Permanently restricted net assets at September 30, 2011 and 2010 are restricted to

	2011	2010
Healthcare services	<u>\$ 9,439,243</u>	<u>\$ 9,428,709</u>

9. Transactions with Affiliates

The Hospital records other operating revenues from an affiliated entity, Norwalk Health Care, Inc, a wholly owned subsidiary of Norwalk Health Services Corporation. Revenues for services provided to this entity, at cost, totaled approximately \$1,590,000 and \$1,549,000 in 2011 and 2010, respectively.

Following are the balances due from (to) affiliates

	2011	2010
Norwalk Health Care, Inc	\$ 1,990,712	\$ 138,018
Norwalk Health Services Corporation	271,630	45,000
Norwalk Hospital Foundation, Inc	342,032	250,927
SWC Corporation	<u>36,308</u>	<u>12,197</u>
	<u>\$ 2,640,682</u>	<u>\$ 446,142</u>

10. Acquisition of Norwalk Radiology and Mammography Center

In 2011, a medical imaging Joint Venture between SWC Corporation, an affiliate of the Hospital, and a group of physicians was terminated. The Hospital purchased the medical imaging business from the group of physicians that was previously part of the Joint Venture for \$20,000,000. The Hospital has recorded as purchase consideration an additional \$1,914,723 which represents SWC investment in the Joint Venture at the time of sale and an accrual of \$1,000,000 as an estimate of the potential earn out based on volume. This earn out is also recorded as a liability. The transaction was recorded as follows:

Goodwill	\$ 13,843,749
Covenant not to compete intangible	7,945,063
Property, plant and equipment	872,039
Inventory	132,293
Prepaid expenses	<u>121,579</u>
Total	<u>\$ 22,914,723</u>

The value of the Covenant Not to Compete ("CNC") is based on the management's assessment of a 50% probability of radiologist competition and a maximum 60% reduction in volume over a three year period. The CNC was projected to have an impact in perpetuity. The Hospital is amortizing the non-compete intangible over the 10 year length of the non-compete agreement on a straight-line basis. Accumulated amortization as of September 30, 2011 amounted to \$397,253.

Norwalk Hospital Association
Notes to Consolidated Financial Statements
September 30, 2011 and 2010

11. Contingencies

Various lawsuits and claims arising in the normal course of operations are pending or are in progress against the Hospital. While the outcomes of the lawsuits and claims cannot be determined at this time, management believes that any loss that may arise from these lawsuits and claims will not have a material adverse effect on the financial position or on the net assets of the Hospital.

The Hospital has received requests for information from governmental authorities relating to, among other things, patient billings. These requests relate to compliance with certain laws and regulations. Management is cooperating with these governmental authorities in their information requests and ongoing investigations. While management does not believe that any of these inquiries or investigations will result in a material future loss, the ultimate results of these inquiries and investigations, including the impact on the Hospital, cannot be determined at this time.

12. Functional Expenses

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

	2011	2010
Health care services	\$ 251,839,907	\$ 243,699,012
General and administrative	103,461,953	104,130,778
Restructuring expense	-	3,934,121
	<hr/> <u>\$ 355,301,860</u>	<hr/> <u>\$ 351,763,911</u>

13. Subsequent Events

The Hospital and its subsidiary have performed an evaluation of subsequent events through January 26, 2012, which is the date the financial statements were issued.

Supplemental Consolidating Information

Norwalk Hospital Association
Supplemental Consolidating Balance Sheet
Year Ended September 30, 2011

	Norwalk Hospital Association	Norwalk Surgery Center LLC	Fairfield County Medical Services, Inc.	Eliminations	Consolidated
Assets					
Current assets					
Cash and cash equivalents	\$ 61,458,676	\$ 5,078,647	\$ 269,271	\$ -	\$ 66,806,594
Investments	8,693,538	-	-	-	8,693,538
Patient accounts receivable, net	37,299,759	23,428	-	-	37,323,187
Other receivables	81,421	-	868,214	-	949,635
Due from affiliates, net	2,640,682	-	-	-	2,640,682
Inventories	1,879,253	85,422	-	-	1,964,675
Prepaid expenses	2,698,590	86,703	-	-	2,785,293
Assets whose use is limited - required for current liabilities	372,429	-	-	-	372,429
Total current assets	115,124,348	5,274,200	1,137,485	-	121,536,033
Assets limited as to use					
Assets held by trustee per bond indenture	15,111,873	-	-	-	15,111,873
Assets held in trustee for self-insurance	4,567,394	-	-	-	4,567,394
Total assets whose use is limited	19,679,267	-	-	-	19,679,267
Long-term investments	21,526,072	-	-	-	21,526,072
Other assets	1,066,103	13,529	-	-	1,079,632
Non Compete	7,547,810	-	-	-	7,547,810
Due from third party agencies	2,715,774	-	-	-	2,715,774
Notes receivable	1,387,672	-	-	-	1,387,672
Goodwill	15,097,582	-	-	-	15,097,582
Investment in joint venture	2,729,803	-	-	-	2,729,803
Beneficial interest in Norwalk Hospital Foundation, Inc	36,399,874	-	-	-	36,399,874
Property, plant and equipment					
Land and land improvements	2,727,368	-	-	-	2,727,368
Buildings	146,418,075	559,691	-	-	146,977,766
Equipment	232,771,161	880,902	-	-	233,652,063
Construction in progress	22,713,647	-	-	-	22,713,647
Accumulated depreciation	(277,722,033)	(25,985)	-	-	(277,748,018)
Total property, plant and equipment	126,908,218	1,414,608	-	-	128,322,826
Total assets	\$ 350,182,523	\$ 6,702,337	\$ 1,137,485	\$ -	\$ 358,022,345

Norwalk Hospital Association
Supplemental Consolidating Balance Sheet
Year Ended September 30, 2011

	Norwalk Hospital Association	Norwalk Surgery Center LLC	Fairfield County Medical Services, Inc.	Eliminations	Consolidated
Liabilities and Net Assets					
Current liabilities					
Accounts payable and accrued expenses	\$ 26,154,825	\$ 445,231	\$ 217,173	\$ -	\$ 26,817,229
Salaries, wages, payroll taxes and amounts withheld from employees	17,600,200	21,796	1,752,755	-	19,374,751
Due to third party agencies	4,525,191	-	-	-	4,525,191
Due to affiliates, net	-	-	-	-	-
Accrued interest payable	809,088	-	-	-	809,088
Current portion of long-term debt	4,834,597	52,966	-	-	4,887,563
Current portion of capital lease	9,649	-	-	-	9,649
Total current liabilities	53,933,550	519,993	1,969,928	-	56,423,471
Accrued pension liability	60,019,814	-	-	-	60,019,814
Asset retirement obligation	11,509,090	-	-	-	11,509,090
Other liabilities	16,518,934	-	-	-	16,518,934
Due to third party agencies	14,726,335	-	-	-	14,726,335
Long-term debt, less current portion	57,770,819	3,947,034	-	-	61,717,853
Long-term capital lease, less current portion	7,180	-	-	-	7,180
Total liabilities	214,485,722	4,467,027	1,969,928	-	220,922,677
Net assets (deficit)					
Unrestricted	104,154,204	2,235,310	(832,443)	-	105,557,071
Unrestricted attributable to noncontrolling interest	670,593	-	-	-	670,593
Temporarily restricted	21,432,761	-	-	-	21,432,761
Permanently restricted	9,439,243	-	-	-	9,439,243
Total net assets	135,696,801	2,235,310	(832,443)	-	137,099,668
Total liabilities and net assets	\$ 350,182,523	\$ 6,702,337	\$ 1,137,485	\$ -	\$ 358,022,345

Norwalk Hospital Association
Supplemental Consolidating Statement of Operations
Year Ended September 30, 2011

	Norwalk Hospital Association	Norwalk Surgery Center LLC	Fairfield County Medical Services, Inc	Eliminations	Consolidated
Operating revenues					
Net revenues from services to patients	\$ 350,594,448	\$ 16,952	\$ -	\$ -	\$ 350,611,400
Other operating revenues	12,324,861	-	14,929,787	(4,363,112)	22,891,536
Total operating revenues	362,919,309	16,952	14,929,787	(4,363,112)	373,502,936
Operating expenses					
Salaries and benefits	174,865,641	316,521	14,085,442	-	189,267,604
Supplies and other expenses	121,421,335	580,234	5,992,705	(4,363,112)	123,631,162
Depreciation and amortization	19,041,348	18,296	115,889	-	19,175,533
Provision for bad debts	20,654,069	-	-	-	20,654,069
Interest	1,450,895	80,021	-	-	1,530,916
Support for Norwalk Hospital Foundation, Inc	1,042,576	-	-	-	1,042,576
Total operating expenses	338,475,864	995,072	20,194,036	(4,363,112)	355,301,860
Income (loss) from operations	24,443,445	(978,120)	(5,264,249)	-	18,201,076
Nonoperating income (expense)					
Investment income	796,825	1,740	-	-	798,565
Net unrealized loss on investments	(1,455,301)	-	-	-	(1,455,301)
Total nonoperating income (expense)	(658,476)	1,740	-	-	(656,736)
Excess (deficiency) of revenues over expenses, before non controlling interest	23,784,969	(976,380)	(5,264,249)	-	17,544,340
Change in value attributable to non controlling interest	-	(529,407)	-	-	(529,407)
Excess (deficiency) of revenues over expenses	23,784,969	(1,505,787)	(5,264,249)	-	17,014,933
Other changes in net assets					
Transfers from Norwalk Health Services Corporation	1,914,723	-	-	-	1,914,723
Transfer to Fairfield County Medical Services, Inc	(4,642,266)	-	4,642,266	-	-
Transfers from Norwalk Hospital Foundation, Inc	322,298	-	-	-	322,298
Funding of operations of Norwalk Hospital Foundation, Inc	(765,289)	-	-	-	(765,289)
Transfer to Norwalk Surgery Center, LLC	(2,100,000)	3,300,000	-	-	1,200,000
Pension related changes other than net periodic benefit cost	(25,149,518)	-	-	-	(25,149,518)
(Decrease) increase in unrestricted net assets	\$ (6,635,083)	\$ 1,794,213	\$ (621,983)	\$ -	\$ (5,462,853)

Norwalk Hospital Association
Supplemental Consolidating Balance Sheet
Year Ended September 30, 2010

	Norwalk Hospital Association	Fairfield County Medical Services, Inc.	Eliminations	Consolidated
Assets				
Current assets				
Cash and cash equivalents	\$ 26,310,543	\$ 484,757	\$ -	\$ 26,795,300
Investments	8,655,334	-	-	8,655,334
Patient accounts receivable, net	40,941,651	-	-	40,941,651
Other receivables	573,584	899,101	-	1,472,685
Due from affiliates, net	446,142	-	-	446,142
Inventories	2,361,637	-	-	2,361,637
Prepaid expenses	1,831,130	-	-	1,831,130
Assets whose use is limited - required for current liabilities	371,800	-	-	371,800
Total current assets	81,491,821	1,383,858	-	82,875,679
Assets limited as to use				
Assets held by trustee per bond indenture	1,075,930	-	-	1,075,930
Assets held in trustee for self-insurance	5,954,228	-	-	5,954,228
Total assets whose use is limited	7,030,158	-	-	7,030,158
Long-term investments	21,535,624	-	-	21,535,624
Other assets	804,311	-	-	804,311
Due from third party agencies	4,244,774	-	-	4,244,774
Notes receivable	2,019,947	-	-	2,019,947
Goodwill	2,900,333	-	-	2,900,333
Investment in joint venture	2,729,803	-	-	2,729,803
Beneficial interest in Norwalk Hospital Foundation, Inc	28,803,532	-	-	28,803,532
Property, plant and equipment				
Land and land improvements	2,677,639	-	-	2,677,639
Buildings	143,200,619	-	-	143,200,619
Equipment	221,634,356	-	-	221,634,356
Construction in progress	5,120,280	-	-	5,120,280
Accumulated depreciation	(261,142,100)	-	-	(261,142,100)
Total property, plant and equipment	111,490,794	-	-	111,490,794
Total assets	\$ 263,051,097	\$ 1,383,858	\$ -	\$ 264,434,955

Norwalk Hospital Association
Supplemental Consolidating Balance Sheet
Year Ended September 30, 2010

	Norwalk Hospital Association	Fairfield County Medical Services, Inc.	Eliminations	Consolidated
Liabilities and Net Assets				
Current liabilities				
Accounts payable and accrued expenses	\$ 19,616,137	\$ 174,929	\$ -	\$ 19,791,066
Salaries, wages, payroll taxes and amounts withheld from employees	17,233,599	1,419,388	-	18,652,987
Due to third party agencies	1,001,192	-	-	1,001,192
Accrued interest payable	141,774	-	-	141,774
Current portion of long-term debt	1,667,606	-	-	1,667,606
Current portion of capital lease	8,447	-	-	8,447
Total current liabilities	39,668,755	1,594,317	-	41,263,072
Accrued pension liability	37,851,799	-	-	37,851,799
Asset retirement obligation	10,212,507	-	-	10,212,507
Other liabilities	14,731,550	-	-	14,731,550
Due to third party agencies	9,650,070	-	-	9,650,070
Long-term debt, less current portion	15,742,952	-	-	15,742,952
Long-term capital lease, less current portion	16,826	-	-	16,826
Total liabilities	127,874,459	1,594,317	-	129,468,776
Net assets (deficit)				
Unrestricted	111,900,976	(210,459)	-	111,690,517
Temporarily restricted	13,846,953	-	-	13,846,953
Permanently restricted	9,428,709	-	-	9,428,709
Total net assets	135,176,638	(210,459)	-	134,966,179
Total liabilities and net assets	\$ 263,051,097	\$ 1,383,858	\$ -	\$ 264,434,955

Norwalk Hospital Association
Supplemental Consolidating Statement of Operations
Year Ended September 30, 2010

	Norwalk Hospital Association	Fairfield County Medical Services, Inc.	Eliminations	Consolidated
Operating revenues				
Net revenues from services to patients	\$ 326,580,262	\$ -	\$ -	\$ 326,580,262
Other operating revenues	13,724,309	14,143,989	(3,610,213)	24,258,085
Change in unrestricted interest in Norwalk Hospital Foundation, Inc	32,601	-	-	32,601
Total operating revenues	<u>340,337,172</u>	<u>14,143,989</u>	<u>(3,610,213)</u>	<u>350,870,948</u>
Operating expenses				
Salaries and benefits	176,944,811	12,201,741	-	189,146,552
Supplies and other expenses	111,346,413	5,612,804	(3,610,213)	113,349,004
Depreciation and amortization	19,888,350	115,078	-	20,003,428
Provision for bad debts	23,255,695	-	-	23,255,695
Interest	646,398	-	-	646,398
Support for Norwalk Hospital Foundation, Inc	1,428,713	-	-	1,428,713
Total operating expenses	<u>333,510,380</u>	<u>17,929,623</u>	<u>(3,610,213)</u>	<u>347,829,790</u>
Income from operations prior to restructuring expense	6,826,792	(3,785,634)	-	3,041,158
Restructuring expense	(3,934,121)	-	-	(3,934,121)
Income (loss) from operations	2,892,671	(3,785,634)	-	(892,963)
Nonoperating income				
Investment income	866,620	-	-	866,620
Net unrealized gains on investments	1,485,361	-	-	1,485,361
Total nonoperating income	<u>2,351,981</u>	<u>-</u>	<u>-</u>	<u>2,351,981</u>
Excess (deficiency) of revenues over expenses	5,244,652	(3,785,634)	-	1,459,018
Other changes in net assets				
Transfers to Fairfield County Medical Services, Inc	(10,906,307)	10,906,307	-	-
Transfers from Norwalk Hospital Foundation, Inc	1,549,506	-	-	1,549,506
Funding of operations of Norwalk Hospital Foundation, Inc	(362,133)	-	-	(362,133)
Pension related changes other than net periodic benefit cost	(9,474,579)	-	-	(9,474,579)
(Decrease) increase in unrestricted net assets	<u>\$ (13,948,861)</u>	<u>\$ 7,120,673</u>	<u>\$ -</u>	<u>\$ (6,828,188)</u>