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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

Department of the Treasury

Internal Revenue Service

► 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

Address change

Name change

Initial return

Terminated

Amended return

Application pending

C Name of organization  
CONCORD HOSPITAL INC

Doing Business As

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

Room/suite

City or town, state or country, and ZIP + 4  
CONCORD, NH 03301F Name and address of principal officer  
MICHAEL B GREEN  
250 PLEASANT STREET  
CONCORD, NH 03301H(a) Is this a group return for affiliates?  Yes  NoH(b) Are all affiliates included?  Yes  No  
If "No," attach a list (see instructions)

H(c) Group exemption number ►

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

J Website: ► www.concordhospital.org

K Form of organization  Corporation  Trust  Association  Other ►

L Year of formation 1944

M State of legal domicile NH

## Part I Summary

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

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

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

3 20

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

4 16

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

5 3,620

6 Total number of volunteers (estimate if necessary) . . . . .

6 452

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

7a 2,057,969

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

7b -678,884

	Prior Year	Current Year
8 Contributions and grants (Part VIII, line 1h) . . . . .	5,283,082	2,685,572
9 Program service revenue (Part VIII, line 2g) . . . . .	346,293,115	395,532,591
10 Investment income (Part VIII, column (A), lines 3, 4, and 7d) . . . . .	6,959,457	11,582,680
11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	10,891,966	4,879,474
12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12) . . . . .	369,427,620	414,680,317

	Prior Year	Current Year
8 Contributions and grants (Part VIII, line 1h) . . . . .	149,261	276,562
9 Program service revenue (Part VIII, line 2g) . . . . .	0	0
10 Investment income (Part VIII, column (A), lines 3, 4, and 7d) . . . . .	196,980,410	205,162,383
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) . . . . .	153,349,899	182,843,532
13 Grants and similar amounts paid (Part IX, column (A), lines 1-3) . . . . .	350,479,570	388,282,477
14 Benefits paid to or for members (Part IX, column (A), line 4) . . . . .	18,948,050	26,397,840
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) . . . . .	367,447,662	397,005,467
21 Total liabilities (Part X, line 26) . . . . .	199,013,530	237,414,229
22 Net assets or fund balances Subtract line 21 from line 20 . . . . .	168,434,132	159,591,238

## Part II Signature Block

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

Sign Here

\*\*\*\*\*  
Signature of officer

2012-05-29

Date

BRUCE R BURNS TREASURER/SR VP FINANCE/CFO  
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name E Drew Cheney	Preparer's signature E Drew Cheney	Date 2012-05-29	Check if self-employed <input type="checkbox"/>	PTIN
Firm's name ► BAKER NEWMAN & NOYES LLC				Firm's EIN ►
Firm's address ► BOX 507 PORTLAND, ME 04112				Phone no ► (207) 879-2100

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

### **Part III Statement of Program Service Accomplishments**

**Statement of Program Service Accomplishments**  
Check if Schedule Q contains a response to any question in this Part III

---

**1** Briefly describe the organization's mission

Concord Hospital is a charitable organization which exists to meet the health needs of individuals within the communities it serves.

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 C

3 Did the organization cease conducting, or make significant changes in how it conducts, any programs or services?

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 \$ 327,238,693 including grants of \$ 276,562 ) (Revenue \$ 398,354,096 )

Various hospital services, see Schedule HIn 2011, Concord Hospital invested more than \$52 million for community benefit programs, services, and other expenses. The largest areas of support were charitable care services, medical education and subsidized programs and services. Our investment enhances the Hospital's ability to provide quality patient care, respond to identified community health needs and address the Hospital's mission overall.

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

**4c** (Code ) (Expenses \$ including grants of \$ ) (Revenue \$

**4d Other program services (Describe in Schedule Q.)**

**4e Total program service expenses** \$ 327,238,693

**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.
- 12b** 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
<b>1</b>	Yes	
<b>2</b>	Yes	
<b>3</b>		No
<b>4</b>	Yes	
<b>5</b>		
<b>6</b>		No
<b>7</b>		No
<b>8</b>		No
<b>9</b>		No
<b>10</b>	Yes	
<b>11a</b>	Yes	
<b>11b</b>	Yes	
<b>11c</b>		No
<b>11d</b>	Yes	
<b>11e</b>	Yes	
<b>11f</b>	Yes	
<b>12a</b>		No
<b>12b</b>	Yes	
<b>13</b>		No
<b>14a</b>		No
<b>14b</b>		No
<b>15</b>		No
<b>16</b>		No
<b>17</b>		No
<b>18</b>		No
<b>19</b>		No
<b>20a</b>	Yes	
<b>20b</b>	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	<b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? 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	No	
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 checked="" type="checkbox"/> No	
36	<b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2	<input checked="" type="checkbox"/>	36	Yes	
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? <b>Note.</b> 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
<b>1a</b>	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a	260
<b>1b</b>	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	0
<b>c</b>	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	Yes
<b>2a</b>	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	3,620
<b>b</b>	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	2b	Yes
<p><b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)</p>			
<b>3a</b>	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	Yes
<b>b</b>	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	3b	Yes
<b>4a</b>	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>b</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		
<b>5a</b>	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a	No
<b>b</b>	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b	No
<b>c</b>	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c	
<b>6a</b>	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>b</b>	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b	
<b>7</b>	<b>Organizations that may receive deductible contributions under section 170(c).</b>	7a	No
<b>a</b>	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?	7b	
<b>b</b>	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7c	No
<b>c</b>	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7d	
<b>d</b>	If "Yes," indicate the number of Forms 8282 filed during the year	7e	No
<b>e</b>	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7f	No
<b>f</b>	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7g	
<b>g</b>	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7h	
<b>h</b>	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	8	
<b>8</b>	<b>Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	9a	
<b>9</b>	<b>Sponsoring organizations maintaining donor advised funds.</b>	9b	
<b>a</b>	Did the organization make any taxable distributions under section 4966?		
<b>b</b>	Did the organization make a distribution to a donor, donor advisor, or related person?		
<b>10</b>	<b>Section 501(c)(7) organizations.</b> Enter	10a	
<b>a</b>	Initiation fees and capital contributions included on Part VIII, line 12	10b	
<b>b</b>	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities		
<b>11</b>	<b>Section 501(c)(12) organizations.</b> Enter	11a	
<b>a</b>	Gross income from members or shareholders	11b	
<b>b</b>	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)		
<b>12a</b>	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?	12a	
<b>b</b>	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b	
<b>13</b>	<b>Section 501(c)(29) qualified nonprofit health insurance issuers.</b>	13a	
<b>a</b>	Is the organization licensed to issue qualified health plans in more than one state?		
<p><b>Note.</b> See the instructions for additional information the organization must report on Schedule O</p>			
<b>b</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	
<b>c</b>	Enter the amount of reserves on hand	13c	
<b>14a</b>	Did the organization receive any payments for indoor tanning services during the tax year?	14a	No
<b>b</b>	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O	14b	

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

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

### Section A. Governing Body and Management

- 1a Enter the number of voting members of the governing body at the end of the tax year . . . . . **1a** 20
- b Enter the number of voting members included in line 1a, above, who are independent . . . . . **1b** 16
- 2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? . . . . . **2** No
- 3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? . . . . . **3** No
- 4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? . . . . . **4** No
- 5 Did the organization become aware during the year of a significant diversion of the organization's assets? . . . . . **5** No
- 6 Does the organization have members or stockholders? . . . . . **6** No
- 7a Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body? . . . . . **7a** No
- b Are any decisions of the governing body subject to approval by members, stockholders, or other persons? . . . . . **7b** No
- 8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following
- a The governing body? . . . . . **8a** Yes
- b Each committee with authority to act on behalf of the governing body? . . . . . **8b** Yes
- 9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O . . . . . **9** No

	Yes	No
1a		
1b		
2		No
3		No
4		No
5		No
6		No
7a		No
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? . . . . . **10a** No
- b If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization? . . . . . **10b**
- 11a Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form? . . . . . **11a** Yes
- b Describe in Schedule O the process, if any, used by the organization to review this Form 990 . . . . . **12a** Yes
- 12a Does the organization have a written conflict of interest policy? If "No," go to line 13 . . . . . **12b** Yes
- b Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts? . . . . . **12c** Yes
- c Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done . . . . . **13** Yes
- 13 Does the organization have a written whistleblower policy? . . . . . **14** Yes
- 14 Does the organization have a written document retention and destruction policy? . . . . . **15** Yes
- 15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?
- a The organization's CEO, Executive Director, or top management official . . . . . **15a** Yes
- b Other officers or key employees of the organization . . . . . **15b** Yes
- If "Yes" to line 15a or 15b, describe the process in Schedule O (See instructions )
- 16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? . . . . . **16a** Yes
- b If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements? . . . . . **16b** Yes

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

### Section C. Disclosure

- 17 List the States with which a copy of this Form 990 is required to be filed  NH
- 18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c) (3)s only) available for public inspection. Indicate how you make these available. Check all that apply
- Own website  Another's website  Upon request
- 19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table
- 20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization
- SCOTT SLOANE VP FINANCE  
250 PLEASANT STREET  
CONCORD, NH 03301  
(603) 227-7000

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

 Check if Schedule O contains a response to any question in this Part VII 
**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

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

• List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees. Enter -0- in columns (D), (E), and (F) if no compensation was paid.

• List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."

• List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.

• List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.

• List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

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

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)					(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099- MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Officer & director or individual trustee	Institutional Trustee	Office	Key employee	Employee highest compensated			
(1) AKEY MD D THOMAS CHAIR	40 00	X		X			279,374	0	56,433
(2) SCHADEE CPA MURIEL D VICE CHAIR	1 00	X		X			0	0	0
(3) BURNS BRUCE R TREASURER	60 00			X			395,114	0	76,708
(4) BOUCHER MARY SECRETARY	1 00	X		X			0	0	0
(5) ASMAR SOL TRUSTEE	1 00	X					0	0	0
(6) BLACKMER ESQ JILL K TRUSTEE	1 00	X					0	0	0
(7) BOULTER MD PHILIP TRUSTEE	1 00	X					0	0	0
(8) BROWN C THOMAS TRUSTEE	1 00	X					0	0	0
(9) CHAPMAN ESQ WILLIAM L TRUSTEE	1 00	X					0	0	0
(10) CHICOINE MICHELLE TRUSTEE	1 00	X					0	0	0
(11) GREEN MICHAEL B PRESIDENT & CEO	60 00	X		X			661,322	0	169,901
(12) HALLOWELL MD CHRISTIAN TRUSTEE	1 00	X					0	0	0
(13) IMGRUND MD STEPHEN MEDICAL STAFF PRESIDENT	40 00	X					0	0	0
(14) JONES MD GARY S TRUSTEE	1 00	X					0	0	0
(15) KIPPERMAN CPA JEFFREY S TRUSTEE	1 00	X					0	0	0
(16) ROWE RACHEL M TRUSTEE	1 00	X					0	0	0

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O )	(C) Position (check all that apply)					(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099- MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee			
(17) RUEDIG DAVID TRUSTEE	1 00	X					0	0	0
(18) STEVENSON MD DAVID A TRUSTEE	40 00	X					257,563	0	59,339
(19) SULLIVAN HON MICHAEL TRUSTEE	1 00	X					0	0	0
(20) WALKER CLAUDIA TRUSTEE	1 00	X					0	0	0
(21) WOOD ALLEN RN DIANE E TRUSTEE	40 00	X					222,385	0	68,755
(22) SARDELLA MD GERALD PHYSICIAN	40 00				X		495,623	0	43,302
(23) CONLEY JOSEPH M COO	40 00				X		395,343	0	80,557
(24) SNYDER MD PAUL PHYSICIAN	40 00				X		412,430	0	61,330
(25) TRIACA MD VERONICA PHYSICIAN	40 00				X		424,263	0	38,280
(26) YAP MD RONALD PHYSICIAN	40 00				X		421,989	0	39,150
<b>1b Sub-Total . . . . .</b>									
<b>c Total from continuation sheets to Part VII, Section A . . . . .</b>									
<b>d Total (add lines 1b and 1c) . . . . .</b>							3,965,406	0	693,755

**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 **►263**

		Yes	No
<b>3</b> Did the organization list any <b>former</b> officer, director or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual . . . . .	<b>3</b>		No
<b>4</b> 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 . . . . .	<b>4</b>	Yes	
<b>5</b> 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 . . . . .	<b>5</b>		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
CONCORD EMERGENCY MEDICAL ASSOC 540 LAFAYETTE ROAD HAMPTON, NH 03842	PHYSICIAN SERVICES	9,643,977
DARTMOUTH HITCHCOCK CLINIC PO BOX 810 HANOVER, NH 03755	PHYSICIAN SERVICES	4,191,489
RIVERBEND COMMUNITY MENTAL HEALTH 5 MARKET LANE CONCORD, NH 03301	PHYSICIAN & PSYCH SERVICES	2,182,857
ELLIOT HOSPITAL 1070 HOLT AVENUE SUITE 2100 MANCHESTER, NH 03109	HEALTHCARE SERVICES	1,472,966
CONCORD IMAGING CENTER ONE PILLSBURY STREET CONCORD, NH 03301	RADIOLOGY SERVICES	1,453,888
<b>2</b> Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization <b>►30</b>		

**Part VIII Statement of Revenue**

			(A)	(B)	(C)	(D)	
			Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512, 513, or 514	
<b>Contributions, gifts, grants and other similar amounts</b>	<b>1a</b> Federated campaigns . . . . .						
	<b>b</b> Membership dues . . . . .						
	<b>c</b> Fundraising events . . . . .						
	<b>d</b> Related organizations . . . . .	2,486,189					
	<b>e</b> Government grants (contributions) . . . . .						
	<b>f</b> All other contributions, gifts, grants, and similar amounts not included above . . . . .	199,383					
	<b>g</b> Noncash contributions included in lines 1a-1f \$ . . . . .						
	<b>h Total.</b> Add lines 1a-1f . . . . .	►		2,685,572			
<b>Program Service Revenue</b>	<b>2a</b> Patient service . . . . .	Business Code					
		900099	370,459,080	370,459,080			
	<b>b</b> Disproportionate share . . . . .	900099	20,536,667	20,536,667			
	<b>c</b> Other operating . . . . .	900099	4,536,844	3,497,733	1,039,111		
	<b>d</b> . . . . .						
	<b>e</b> . . . . .						
	<b>f</b> All other program service revenue . . . . .						
	<b>g Total.</b> Add lines 2a-2f . . . . .	►		395,532,591			
<b>Other Revenue</b>	<b>3</b> Investment income (including dividends, interest and other similar amounts) . . . . .						
			597,003		597,003		
	<b>4</b> Income from investment of tax-exempt bond proceeds . . . . .						
	<b>5</b> Royalties . . . . .						
	<b>6a</b> Gross Rents . . . . .	(I) Real	(II) Personal				
		386,530					
	<b>b</b> Less rental expenses . . . . .						
	<b>c</b> Rental income or (loss) . . . . .	386,530					
<b>d</b> Net rental income or (loss) . . . . .	►		386,530	386,530			
<b>7a</b> Gross amount from sales of assets other than inventory . . . . .	(I) Securities	(II) Other					
	122,100,962						
<b>b</b> Less cost or other basis and sales expenses . . . . .	110,946,340	168,945					
<b>c</b> Gain or (loss) . . . . .	11,154,622	-168,945					
<b>d</b> Net gain or (loss) . . . . .	►		10,985,677		10,985,677		
<b>8a</b> Gross income from fundraising events (not including \$ . . . . . of contributions reported on line 1c) See Part IV, line 18 . . . . .	a						
<b>b</b> Less direct expenses . . . . .	b						
<b>c</b> Net income or (loss) from fundraising events . . . . .	►						
<b>9a</b> Gross income from gaming activities See Part IV, line 19 . . . . .	a						
<b>b</b> Less direct expenses . . . . .	b						
<b>c</b> Net income or (loss) from gaming activities . . . . .	►						
<b>10a</b> Gross sales of inventory, less returns and allowances . . . . .	a						
<b>b</b> Less cost of goods sold . . . . .	b						
<b>c</b> Net income or (loss) from sales of inventory . . . . .	►						
<b>Miscellaneous Revenue</b>	Business Code						
<b>11a</b> Food services . . . . .	722210	3,347,190	2,328,332	1,018,858			
<b>b</b> Child care center . . . . .	624410	824,900	824,900				
<b>c</b> Answering service . . . . .	541900	320,854	320,854				
<b>d</b> All other revenue . . . . .							
<b>e Total.</b> Add lines 11a-11d . . . . .	►		4,492,944				
<b>12 Total revenue.</b> See Instructions . . . . .	►		414,680,317	398,354,096	2,057,969	11,582,680	

**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).**

<b>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</b>	<b>(A)</b> Total expenses	<b>(B)</b> Program service expenses	<b>(C)</b> Management and general expenses	<b>(D)</b> Fundraising expenses
1 Grants and other assistance to governments and organizations in the U S See Part IV, line 21	276,562	276,562		
2 Grants and other assistance to individuals in the U S See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees . . .	2,036,361	808,519	1,227,842	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . . .				
7 Other salaries and wages	160,735,950	132,112,246	28,623,704	
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions) . . .	7,474,008	6,141,227	1,332,781	
9 Other employee benefits . . .	23,110,155	18,996,625	4,113,530	
10 Payroll taxes . . .	11,805,909	9,628,536	2,177,373	
a Fees for services (non-employees) Management . . .	711,808	273,179	438,629	
b Legal . . .	183,021		183,021	
c Accounting . . .	144,382		144,382	
d Lobbying . . .	27,000		27,000	
e Professional fundraising services See Part IV, line 17 . .				
f Investment management fees . . .	730,784		730,784	
g Other . . .	30,596,434	28,199,013	2,397,421	
12 Advertising and promotion . . .	258,668	114,379	144,289	
13 Office expenses . . .	48,460,731	46,206,217	2,254,514	
14 Information technology . . .	5,893,304	3,148,351	2,744,953	
15 Royalties . . .				
16 Occupancy . . .	11,476,888	9,045,823	2,431,065	
17 Travel . . .	515,951	349,979	165,972	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials . . .				
19 Conferences, conventions, and meetings . . .	775,981	556,449	219,532	
20 Interest . . .	5,390,156	3,665,306	1,724,850	
21 Payments to affiliates . . .				
22 Depreciation, depletion, and amortization . . .	21,281,062	14,471,122	6,809,940	
23 Insurance . . .	2,665,821	2,665,821		
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	23,926,682	23,926,682		
b MEDICAID ENHANCEMENT TA	21,541,987	21,541,987		
c REPAIRS/MAINTENANCE	3,249,968	2,514,381	735,587	
d				
e				
f All other expenses	5,012,904	2,596,289	2,416,615	
25 <b>Total functional expenses.</b> Add lines 1 through 24f	388,282,477	327,238,693	61,043,784	0
26 <b>Joint costs.</b> 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**

		<b>(A)</b> Beginning of year	<b>(B)</b> End of year
Assets	1 Cash—non-interest-bearing . . . . .	8,766,546	<b>1</b> 10,686,440
	2 Savings and temporary cash investments . . . . .	14,357,164	<b>2</b> 20,367,895
	3 Pledges and grants receivable, net . . . . .	3	
	4 Accounts receivable, net . . . . .	36,706,507	<b>4</b> 41,863,115
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L . . . . .	5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers, and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Schedule L . . . . .	6	
	7 Notes and loans receivable, net . . . . .	7	
	8 Inventories for sale or use . . . . .	518,876	<b>8</b> 772,929
	9 Prepaid expenses and deferred charges . . . . .	3,187,280	<b>9</b> 4,001,515
	10a Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 321,054,266	
	b Less accumulated depreciation . . . . .	10b 182,069,957	<b>10c</b> 137,407,052 138,984,309
	11 Investments—publicly traded securities . . . . .	71,952,823	<b>11</b> 96,521,676
	12 Investments—other securities See Part IV, line 11 . . . . .	70,564,644	<b>12</b> 59,744,000
	13 Investments—program-related See Part IV, line 11 . . . . .	13	
	14 Intangible assets . . . . .	14	
	15 Other assets See Part IV, line 11 . . . . .	23,986,770	<b>15</b> 24,063,588
	<b>16 Total assets.</b> Add lines 1 through 15 (must equal line 34) . . . . .	367,447,662	<b>16</b> 397,005,467
Liabilities	17 Accounts payable and accrued expenses . . . . .	36,104,525	<b>17</b> 42,946,055
	18 Grants payable . . . . .	18	
	19 Deferred revenue . . . . .	19	
	20 Tax-exempt bond liabilities . . . . .	103,555,580	<b>20</b> 117,196,810
	21 Escrow or custodial account liability Complete Part IV of Schedule D . . . . .	21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L . . . . .	22	
	23 Secured mortgages and notes payable to unrelated third parties . . . . .	23	
	24 Unsecured notes and loans payable to unrelated third parties . . . . .	24	
	25 Other liabilities Complete Part X of Schedule D . . . . .	59,353,425	<b>25</b> 77,271,364
	<b>26 Total liabilities.</b> Add lines 17 through 25 . . . . .	199,013,530	<b>26</b> 237,414,229
Net Assets or Fund Balances	<b>Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.</b>		
	27 Unrestricted net assets . . . . .	167,319,828	<b>27</b> 158,553,844
	28 Temporarily restricted net assets . . . . .	248,068	<b>28</b> 162,463
	29 Permanently restricted net assets . . . . .	866,236	<b>29</b> 874,931
	<b>Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.</b>		
	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 . . . . .	168,434,132	<b>33</b> 159,591,238
	<b>34 Total liabilities and net assets/fund balances . . . . .</b>	367,447,662	<b>34</b> 397,005,467

**Part XI Reconciliation of Net Assets**Check if Schedule O contains a response to any question in this Part XI 

1	Total revenue (must equal Part VIII, column (A), line 12)	1	414,680,317
2	Total expenses (must equal Part IX, column (A), line 25)	2	388,282,477
3	Revenue less expenses Subtract line 2 from line 1	3	26,397,840
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	168,434,132
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-35,240,734
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	159,591,238

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

	Yes	No
1 Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a Were the organization's financial statements compiled or reviewed by an independent accountant? <input type="checkbox"/>	2a	No
2b Were the organization's financial statements audited by an independent accountant? <input type="checkbox"/>	2b	Yes
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 <input type="checkbox"/>	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? <input type="checkbox"/>	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 <input type="checkbox"/>	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  
CONCORD HOSPITAL INC

Employer identification number

22-2594672

**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			
<b>Total</b>							

**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 <b>Total.</b> 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 <b>Public Support.</b> 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 <b>Total support</b> (Add lines 7 through 10)						
12 Gross receipts from related activities, etc (See instructions )					12	
13 <b>First Five Years</b> 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 <b>stop here</b>						►

**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 <b>33 1/3% support test—2010.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and <b>stop here</b> . The organization qualifies as a publicly supported organization		►
b <b>33 1/3% support test—2009.</b> 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 <b>stop here</b> . The organization qualifies as a publicly supported organization		►
17a <b>10%-facts-and-circumstances test—2010.</b> 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 <b>stop here</b> . Explain in Part IV how the organization meets the "facts and circumstances" test. The organization qualifies as a publicly supported organization		►
b <b>10%-facts-and-circumstances test—2009.</b> 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 <b>stop here</b> . Explain in Part IV how the organization meets the "facts and circumstances" test. The organization qualifies as a publicly supported organization		►
18 <b>Private Foundation</b> 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						
<b>6 Total.</b> Add lines 1 through 5						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons						
<b>b</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						
<b>c</b> Add lines 7a and 7b						
<b>8 Public Support</b> (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
<b>9</b> Amounts from line 6						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
<b>c</b> Add lines 10a and 10b						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
<b>12</b> Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV )						
<b>13 Total support</b> (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 <b>33 1/3% support tests—2010.</b> If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and <b>stop here</b> . The organization qualifies as a publicly supported organization ►	
b <b>33 1/3% support tests—2009.</b> If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and <b>stop here</b> . The organization qualifies as a publicly supported organization ►	
20 <b>Private Foundation</b> If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions ►	

**Part IV**

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

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## **SCHEDULE C**

## 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

**Open to Public  
Inspection**

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

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

Employer identification number

22-2594672

**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
<b>2a</b> Lobbying non-taxable amount					
<b>b</b> Lobbying ceiling amount (150% of line 2a, column(e))					
<b>c</b> Total lobbying expenditures					
<b>d</b> Grassroots non-taxable amount					
<b>e</b> Grassroots ceiling amount (150% of line 2d, column (e))					
<b>f</b> 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
<b>1</b> 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			
<b>a</b> Volunteers?		No	
<b>b</b> Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
<b>c</b> Media advertisements?		No	
<b>d</b> Mailings to members, legislators, or the public?		No	
<b>e</b> Publications, or published or broadcast statements?		No	
<b>f</b> Grants to other organizations for lobbying purposes?		No	
<b>g</b> Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
<b>h</b> Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
<b>i</b> Other activities? If "Yes," describe in Part IV	Yes		28,308
<b>j</b> Total lines 1c through 1i			28,308
<b>2a</b> Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
<b>b</b> If "Yes," enter the amount of any tax incurred under section 4912			
<b>c</b> If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
<b>d</b> 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
<b>1</b> Were substantially all (90% or more) dues received nondeductible by members?	1	
<b>2</b> Did the organization make only in-house lobbying expenditures of \$2,000 or less?	2	
<b>3</b> 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".**

<b>1</b> Dues, assessments and similar amounts from members	1
<b>2</b> 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).	
<b>a</b> Current year	2a
<b>b</b> Carryover from last year	2b
<b>c</b> Total	2c
<b>3</b> Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3
<b>4</b> If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4
<b>5</b> Taxable amount of lobbying and political expenditures (see instructions)	5

**Part IV Supplemental Information**

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

Identifier	Return Reference	Explanation
Explanation of Other Lobbying Activities	Part II-B, Line 1i	Concord Hospital is a member of the NH Hospital Association and the American Hospital Association. A portion of the dues paid to these organizations is available for lobbying expenditures on behalf of Concord Hospital and the other member organizations in furtherance of their exempt purposes. The portion of dues used for lobbying were \$20,291 (NHHA) and \$8,017 (AHA). Concord Hospital does not directly perform any lobbying activities.

2010

Open to Public  
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**  
CONCORD HOSPITAL INC**Employer identification number**

22-2594672

**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

	<b>Held at the End of the Year</b>
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 |
|-----------|--------|
| <b>1c</b> |        |
| <b>1d</b> |        |
| <b>1e</b> |        |
| <b>1f</b> |        |
- 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.

	<b>(a) Current Year</b>	<b>(b) Prior Year</b>	<b>(c) Two Years Back</b>	<b>(d) Three Years Back</b>	<b>(e) Four Years Back</b>
<b>1a</b> Beginning of year balance . . . . .	135,685,338	108,562,857	100,022,624		
<b>b</b> Contributions . . . . .	8,067,297	17,123,371	2,482,944		
<b>c</b> Investment earnings or losses . . . . .	-4,399,718	10,185,474	6,568,016		
<b>d</b> Grants or scholarships . . . . .					
<b>e</b> Other expenditures for facilities and programs . . . . .	305,697	186,364	510,727		
<b>g</b> End of year balance . . . . .	139,047,220	135,685,338	108,562,857		

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

- a** Board designated or quasi-endowment ► 99.270 %  
**b** Permanent endowment ► 0.600 %  
**c** Term endowment ► 0.130 %

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

	Yes	No
<b>3a(i)</b>		
<b>3a(ii)</b>	Yes	
<b>3b</b>	Yes	

- 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.

	Description of investment	<b>(a) Cost or other basis (investment)</b>	<b>(b) Cost or other basis (other)</b>	<b>(c) Accumulated depreciation</b>	<b>(d) Book value</b>
<b>1a</b> Land . . . . .		18,996			18,996
<b>b</b> Buildings . . . . .		128,417,617	56,852,241		71,565,376
<b>c</b> Leasehold improvements . . . . .					
<b>d</b> Equipment . . . . .		188,118,574	125,217,716		62,900,858
<b>e</b> Other . . . . .		4,499,079			4,499,079
<b>Total.</b> Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) . . . . .					138,984,309

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

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A) ALTERNATIVE INVESTMENTS	59,744,000	F
<b>Total.</b> (Column (b) should equal Form 990, Part X, col (B) line 12.)	59,744,000	

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

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

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

(a) Description	(b) Book value
(1) BOND ISSUANCE COSTS	2,564,105
(2) INTERCOMPANY RECEIVABLES	19,442,099
(3) OTHER	2,057,384
<b>Total.</b> (Column (b) should equal Form 990, Part X, col.(B) line 15.)	24,063,588

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

(a) Description of Liability	(b) Amount
Federal Income Taxes	
ESTIMATED 3RD PARTY SETTLEMENTS	8,510,816
ACCRUED PENSION & OTHER LONG-TERM LIABILITIES	68,760,548
<b>Total.</b> (Column (b) should equal Form 990, Part X, col (B) line 25.)	77,271,364

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

**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	414,680,317
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	388,282,477
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	26,397,840
4	Net unrealized gains (losses) on investments	4	-18,087,295
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	-17,153,439
9	Total adjustments (net) Add lines 4 - 8	9	-35,240,734
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	-8,842,894

**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	414,680,317
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	0
3	Subtract line 2e from line 1 . . . . .	3	414,680,317
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1		
a	Investment expenses not included on Form 990, Part VIII, line 7b . . . . .	4a	
b	Other (Describe in Part XIV) . . . . .	4b	
c	Add lines 4a and 4b . . . . .	4c	0
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12 ) . . . . .	5	414,680,317

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

1	Total expenses and losses per audited financial statements . . . . .	1	388,282,477
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities . . . . .	2a	
b	Prior year adjustments . . . . .	2b	
c	Other losses . . . . .	2c	
d	Other (Describe in Part XIV) . . . . .	2d	
e	Add lines 2a through 2d . . . . .	2e	0
3	Subtract line 2e from line 1 . . . . .	3	388,282,477
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b . . . . .	4a	
b	Other (Describe in Part XIV) . . . . .	4b	
c	Add lines 4a and 4b . . . . .	4c	0
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18 ) . . . . .	5	388,282,477

**Part XIV Supplemental Information**

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

Identifier	Return Reference	Explanation
Description of Intended Use of Endowment Funds	Part V, Line 4	The intended use of the endowment funds is to fund capital expenditures for medical equipment/provide healthcare prevention and services for the uninsured population in the service area
Description of Uncertain Tax Positions Under FIN 48	Part X	The verbatim paragraph pertaining to FIN 48 in the consolidated audited financial statements for Concord Hospital, Inc and subsidiaries ("The System") is as follows "The Hospital, CRHCDC, CRHVC, CRPGC, CH/DHC and the Trust 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. Management evaluated the System's tax positions and concluded the System has maintained its tax-exempt status, does not have any significant unrelated business income and had taken no uncertain tax positions that require adjustment to or disclosure in the accompanying consolidated financial statements. With few exceptions, the System is no longer subject to income tax examination by the U.S. federal or state tax authorities for years before 2008."
Part XI, Line 8 - Other Adjustments		Pension Actuarial Loss -16,395,699 Net transfer to affiliate - 757,740

2010

Open to Public  
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  
CONCORD HOSPITAL INC

Employer identification number

22-2594672

## 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 Applied uniformly to most hospitals Generally tailored to individual hospitals

3 Answer the following based on the the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year

a Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing *free* care to low income individuals? If "Yes," indicate which of the following is the FPG family income limit for eligibility for free care 100%  150%  200%  Other 225.000000000000 %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 . . . . . Other 500.000000000000 % 200%  250%  300%  350%  400%

c If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care

4 Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"? . . . . .

4 Yes

5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year? . . . . .

5a Yes

b If "Yes," did the organization's financial assistance expenses exceed the budgeted amount? . . . . .

5b Yes

c If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care? . . . . .

5c No

6a Does the organization prepare a community benefit report during the tax year? . . . . .

6a Yes

6b If "Yes," did the organization make it available to the public? . . . . .

6b Yes

Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H

## 7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheets 1 and 2)	6	8,410	15,648,344		15,648,344	4 290 %
b Unreimbursed Medicaid (from Worksheet 3, column a)			29,129,000	14,109,000	15,020,000	4 120 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs	6	8,410	44,777,344	14,109,000	30,668,344	8 410 %
<b>Other Benefits</b>						
e Community health improvement services and community benefit operations (from Worksheet 4)	11	242,543	2,669,412	836,633	1,832,779	0 500 %
f Health professions education (from Worksheet 5)	6	5,650	9,080,409	4,598,511	4,481,898	1 230 %
g Subsidized health services (from Worksheet 6)	12	36,012	62,639,930	48,828,836	13,811,094	3 790 %
h Research (from Worksheet 7)	1	48	310,181	79,886	230,295	0 060 %
i Cash and in-kind contributions to community groups (from Worksheet 8)	7		1,040,271		1,040,271	0 290 %
j Total Other Benefits	37	284,253	75,740,203	54,343,866	21,396,337	5 870 %
k Total. Add lines 7d and 7j	43	292,663	120,517,547	68,452,866	52,064,681	14 280 %

**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	1		20,900		20,900	0 010 %
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy						
8 Workforce development						
9 Other						
<b>10 Total</b>	1		20,900		20,900	0 010 %

**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	10,262,646	
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	2,036,825	
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	108,808,695
6 Enter Medicare allowable costs of care relating to payments on line 5 . . . . .	6	149,486,000
7 Subtract line 6 from line 5 This is the surplus or (shortfall) . . . . .	7	-40,677,305
8 Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used		

Cost accounting system

Cost to charge ratio

Other

**Section C. Collection Practices**

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

**Part IV Management Companies and Joint Ventures**

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

## Part V Facility Information

## **Section A. Hospital Facilities**

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

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

**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? 1

Name and address	Type of Facility (Describe)
1 Concord Hospital Urgent Care 60 Commercial Street Concord, NH 03301	Walk-in urgent care
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 Subsidized Health Services represents those activities that assure access to medical care and support for people with special medical needs and who may be faced with chronic health conditions

Identifier	ReturnReference	Explanation
		Part I, Line 7, Column (f) The Bad Debt expense included on Form 990, Part IX, Line 25, Column (A), but subtracted for purposes of calculating the percentage in this column is \$ 23926682

Identifier	ReturnReference	Explanation
		Part II In the absence of a public/private partnership and a significant emergency preparedness incident, Concord Hospital's community building investment was reduced in 2011. However, the organization continued its emergency preparedness initiatives, including drills

Identifier	ReturnReference	Explanation
		<p>Part III, Line 4 Accounts Receivable The allowance for doubtful accounts is provided based on an analysis by management of the collectibility of outstanding balances. Management considers the age of outstanding balances and past collection efforts in determining the allowance for doubtful accounts. Accounts are charged against the allowance for doubtful accounts when deemed uncollectible. Charity Care The system provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the System does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue.</p>

Identifier	ReturnReference	Explanation
		Part III, Line 8 The Medicare shortfall of \$40,677,305 is funded through cost shifting to other payors. In addition, many of the subsidized health services reported on line 7g include some revenue and expenses from services to Medicare patients. Medicare allowable costs on line 5 were determined using the Hospital's filed Medicare cost report, which determines cost via the cost to charge ratio methodology.

Identifier	ReturnReference	Explanation
		<p>Part III, Line 9b The Hospital has a Financial Assistance policy in addition to, and complementing, the bad debt collection policy. The policy describes the Hospital's program of financial assistance for medically necessary services to individuals and families who are uninsured, underinsured or who experience a catastrophic healthcare event and who do not qualify for any other state or federal assistance programs. Patient education of eligibility for assistance is described below in the statement for Part VI, Line 3.</p>

Identifier	ReturnReference	Explanation
Concord Hospital		Part V, Section B, Line 3 See the narrative for Schedule H, Part VI, line 2 below

Identifier	ReturnReference	Explanation
Concord Hospital		Part V, Section B, Line 5c The Community Health Needs Assessment was included in the Hospital's annual reports and mailed to residents of the communities that the Hospital serves It is also available at the State of NH, DOJ web site

Identifier	ReturnReference	Explanation
Concord Hospital		Part V, Section B, Line 21 State law requires the Hospital to bill Third Party liability claims (automobile insurance claims) at 100% of charges. The patient is responsible for paying the full amount and receiving payment from the insurance company

Identifier	ReturnReference	Explanation
		Part VI, Line 2 The Hospital regularly leads comprehensive community health needs assessments, engaging numerous community organizations and health partners in the process, to identify far-reaching health needs faced by people in the communities served by the Hospital. Assessment methodologies address both quantitative and qualitative data and include stakeholder interviews, focus groups, community listening sessions, web survey, written surveys, telephone surveys and analysis of various data sets. Assessment results are shared with the communities and serve as the basis to develop new or expanded services in response to need. The Hospital's next assessment will be conducted in 2012.

Identifier	ReturnReference	Explanation
		Part VI, Line 3 The Hospital actively meets with all people who indicate that they do not have insurance or will have difficulty paying their obligations, to inform and work with them to understand what local programs are available to them, including how they can benefit from the Hospital's Financial Assistance program

Identifier	ReturnReference	Explanation
		Part VI, Line 4 Concord defines its Primary Service Area as 23 communities to which it has close geographic proximity and significant market share According to the State of New Hampshire's "Concord Healthcare Service Area Regional Health Profile, 2001," the 23 communities that comprise the Hospital's PSA represent, in terms of square miles, the largest hospital service area in the State Together, these communities cover an area of nearly 900 square miles The Hospital serves all the residents of these towns as well as many others from across the State of New Hampshire through its regional and statewide referral for specialty care, including Orthopedic, Cardiology, Oncology and Urological care

Identifier	ReturnReference	Explanation
		<p>Part VI, Line 6 Part I line 6A , Concord Hospital develops programs and services to address community health needs and makes investments in initiatives that align with the Hospital's core mission A significant amount of Concord Hospital's community benefit investment is in the area of charitable care to ensure that those without insurance or with limited insurance have access to needed medical care The hospital strives to address the needs of vulnerable populations including our low-income neighbors and other vulnerable populations The hospital's Family Health centers ensure access to primary, behavioral health and dental care for our region's most needy residents, which addresses identified community health needs Those achievements are at the heart of our community benefit activity Beyond that focus are programs and services that benefit every resident and support that far-reaching goal of a healthier community The hospital continued its efforts toward promoting the health of the community by investing its surplus funds in new inpatient facilities to enhance patient care, by providing funding support to Capital Region Healthcare affiliates through the Community Services fund for programs that address identified community needs and serve vulnerable populations, and by continuing to recruit new primary care physicians to enhance access in the community Finally, per the Instructions to Schedule H, Part I, the Hospital has not included its \$40,677,305 Medicare shortfall as a community benefit in Part I However, we believe that this shortfall provides a tremendous benefit to the community in that it enables the Hospital to provide essential services to a vast number of patients who otherwise would not have access to the Hospital's care</p>

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

**Schedule H (Form 990) 2010**

2010

Open to Public  
InspectionDepartment of the Treasury  
Internal Revenue ServiceGrants 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

Name of the organization  
CONCORD HOSPITAL INCEmployer identification number  
22-2594672**Part I General Information on Grants and Assistance**

- 1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?  Yes  No
- 2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

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

(1) (a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) Riverbend Community Mental Health PO Box 2032 Concord, NH 03301	02-0264383	501(c)(3)	54,478				Providing parenting support & education for families
(2) Riverbend Community Mental Health PO Box 2032 Concord, NH 03301	02-0264383	501(c)(3)	65,000				To support a 0.5 FTE medical director and 2 APRNs. RCA medication services seek to serve CHMG's most challenging psychiatric patients, so that PCPs are supported in providing quality service
(3) Riverbend Community Mental Health - Memory Wellness Center PO Box 2032 Concord, NH 03301	02-0264383	501(c)(3)	25,000				Provide person-focused and flexible services for individuals with dementia and their caregivers
(4) Concord Regional Visiting Nurse Association PO Box 1797 Concord, NH 03301	02-0222122	501(c)(3)	15,000				Help struggling parents learn to nurture their infants and children trained home visitors mentor and guide parents
(5) Riverbend Community Mental Health PO Box 2032 Concord, NH 03301	02-0264383	501(c)(3)	18,782				To fund nutrition and fitness memberships for adults with severe and persistent mental illness
(6) Riverbend Community Mental Health PO Box 2032 Concord, NH 03301	02-0264383	501(c)(3)	39,180				Provide specialty geriatric psychiatry evaluation and treatment for Elders in the Concord area
(7) Riverbend Community Mental Health PO Box 2032 Concord, NH 03301	02-0264383	501(c)(3)	20,922				PhD intern program to provide low-cost mental health services to adults in the Hillsboro area
(8) Dame School 14 Canterbury Road Concord, NH 03301	02-0222164	Municipality	7,000				Grandfamilies Group offers parenting classes and support for grandparents who are parenting for the second time
(9) Child and Family Services Healthy Families Home Visiting Program 464 Chestnut Street PO Box 448 Manchester, NH 03105	02-0222164	501(c)(3)	10,200				Program to serve at-risk women under the age of 25 who are pregnant with their first their first child to develop their parenting skills and enhance maternal and child health
(10) Riverbend Community Mental Health PO Box 2032 Concord, NH 03301	02-0264383	501(c)(3)	10,000				Child parent psychotherapy specialized treatment through the Dartmouth Dept. of Psychiatry and its partnership with the National Child Traumatic Stress Network
(11) The Children's Place and Parent Education Center 27 Burns Avenue Concord, NH 03301	02-0338647	501(c)(3)	6,000				Contribution to New Parents Support Group/Toddler Play Group, which offers a place in which families can come together in support of each other, serving to enhance the family unit, thus preventing child abuse and neglect
(12) Concord Regional Visiting Nurse Association PO Box 1797 Concord, NH 03301	02-0222122	501(c)(3)	5,000				Contribution to Baby's First Homecoming, a program to support mothers at home following discharge, enabling early detection of problems with mother or baby

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

►

3 Enter total number of other organizations .

►

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

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

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

Identifier	Return Reference	Explanation
Procedure for Monitoring Grants in the U S	Part I, Line 2	Schedule I, Part I, Line 2 The Hospital works with the CH trust to administer grants provided from funds available through the Community Services Funds. The Trust has an open application process for those entities that meet the grant requirements, and the Trust Board approves and recommends to the Hospital Board, all recommended granting actions. The Trust provides annual monitoring of compliance with expected spending requirements and gets updates as needed

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

OMB No 1545-0047

**2010**Department 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**  
CONCORD HOSPITAL INC**Employer identification number**

22-2594672

**Part I Questions Regarding Compensation**

Yes No

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

- |  |  |
|--|--|
| <input type="checkbox"/> First-class or charter travel             | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions                     | <input type="checkbox"/> Payments for business use of personal residence |
| <input 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 checked="" type="checkbox"/> Compensation committee              | <input type="checkbox"/> Written employment contract                                |
| <input checked="" type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study                    |
| <input checked="" type="checkbox"/> Form 990 of other organizations     | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

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

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

**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)?

<b>1b</b>		
<b>2</b>		
<b>4a</b>		No
<b>4b</b>	Yes	
<b>4c</b>		No
<b>5a</b>		No
<b>5b</b>		No
<b>6a</b>		No
<b>6b</b>		No
<b>7</b>	Yes	
<b>8</b>		No
<b>9</b>		

**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) AKEY MD D THOMAS	(i) 274,874 (ii) 0	4,500 0	0 0	36,501 0	19,932 0	335,807 0	0 0
(2) BURNS BRUCE R	(i) 312,272 (ii) 0	82,842 0	0 0	62,092 0	14,616 0	471,822 0	0 0
(3) GREEN MICHAEL B	(i) 524,446 (ii) 0	134,500 0	2,376 0	153,701 0	16,200 0	831,223 0	0 0
(4) STEVENSON MD DAVID A	(i) 204,138 (ii) 0	53,425 0	0 0	40,679 0	18,660 0	316,902 0	0 0
(5) WOOD ALLEN RN DIANE E	(i) 190,385 (ii) 0	32,000 0	0 0	55,188 0	13,567 0	291,140 0	0 0
(6) SARDELLA MD GERALD	(i) 495,623 (ii) 0	0 0	0 0	21,507 0	21,795 0	538,925 0	0 0
(7) CONLEY JOSEPH M	(i) 312,501 (ii) 0	82,842 0	0 0	62,050 0	18,507 0	475,900 0	0 0
(8) SNYDER MD PAUL	(i) 354,719 (ii) 0	57,711 0	0 0	45,720 0	15,610 0	473,760 0	0 0
(9) TRIACA MD VERONICA	(i) 367,702 (ii) 0	56,561 0	0 0	32,868 0	5,412 0	462,543 0	0 0
(10) YAP MD RONALD	(i) 365,428 (ii) 0	56,561 0	0 0	17,919 0	21,231 0	461,139 0	0 0
(11)							
(12)							
(13)							
(14)							
(15)							
(16)							

**Part III Supplemental Information**

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

Identifier	Return Reference	Explanation
	Part I, Line 4b	Part I, Line 4b 457F PLAN ----- GREEN, MICHAEL B 88,000
	Part I, Line 7	Incentive Pay The primary purpose of the incentive pay is to recognize the quality of the CEO's performance during the preceding fiscal year. The amount of the incentive pay bonus is based on performance relative to strategic goals and measurable objectives. When the CEO's performance excels, the incentive pay should reflect the accomplishment and allow for the sum of base salary and incentive pay to reach as high as the 75th percentile of peer institutions

**Schedule K  
(Form 990)****2010****Open to Public  
Inspection**Department of the Treasury  
Internal Revenue Service**Supplemental Information on Tax Exempt Bonds**

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

► Attach to Form 990. ► See separate instructions.

Name of the organization  
CONCORD HOSPITAL INCEmployer identification number  
22-2594672**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 NH HEALTH & EDUCATION FACILITIES AUTHORITY	02-0279866	64461TBVS	08-25-2004	45,418,290	FACILITY IMPROVEMENTS		X		X		X
B NH HEALTH & EDUCATION FACILITIES AUTHORITY	02-0279866	644614VY2	04-23-2008	15,102,683	CAPITAL PROJECTS		X		X		X
C NH HEALTH & EDUCATION FACILITIES AUTHORITY	02-0279866	644614K65	03-01-2011	50,095,322	FACILITY IMPROVEMENTS/RENOVATIONS		X		X		X

**Part II Proceeds**

		A	B	C	D
		27,995,000		27,995,000	
1	Amount of bonds retired				
2	Amount of bonds legally defeased				
3	Total proceeds of issue	45,418,290	15,102,683	50,095,322	
4	Gross proceeds in reserve funds	11,280,647		11,280,647	
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrow				
7	Issuance costs from proceeds	1,550,456	99,879	544,891	
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds	43,867,834	15,002,804	10,813,949	
11	Other spent proceeds				
12	Other unspent proceeds				
13	Year of substantial completion	2009	2008		
		Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?		X	X	X
15	Were the bonds issued as part of an advance refunding issue?		X	X	X
16	Has the final allocation of proceeds been made?	X		X	X
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X	X

**Part III Private Business Use**

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

**Part III Private Business Use (Continued)**

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
		X		X		X		
<b>3a</b> Are there any management or service contracts that may result in private business use?		X		X		X		
<b>b</b> Are there any research agreements that may result in private business use of bond-financed property?		X		X		X		
<b>c</b> 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?								
<b>4</b> 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 ►								
<b>5</b> 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 ►								
<b>6</b> Total of lines 4 and 5								
<b>7</b> Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X		X		X			

**Part IV Arbitrage**

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
<b>1</b> Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X		X		X		
<b>2</b> Is the bond issue a variable rate issue?		X		X		X		
<b>3a</b> Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?		X		X		X		
<b>b</b> Name of provider								
<b>c</b> Term of hedge								
<b>d</b> Was the hedge superintegrated?								
<b>e</b> Was a hedge terminated?								
<b>4a</b> Were gross proceeds invested in a GIC?		X		X	X			
<b>b</b> Name of provider	Naxis Funding Corp		Naxis Funding Corp					
<b>c</b> Term of GIC	1 800000000000		1 800000000000					
<b>d</b> Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?		X				X		
<b>5</b> Were any gross proceeds invested beyond an available temporary period?		X		X		X		
<b>6</b> Did the bond issue qualify for an exception to rebate?		X		X		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 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**  
CONCORD HOSPITAL INC**Employer identification number**

22-2594672

Identifier	Return Reference	Explanation
Form 990, Part VI, Section B, line 11		The 990 is reviewed in detail with the Audit Committee of the Board of Trustees. All board members receive a copy of the 990 to review at a board meeting, prior to filing the report

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section B, line 12c	Each Trustee, officer and committee member, upon entering the duties of his/her office and annually thereafter, will be advised of this policy and shall sign a statement acknowledging his/her understanding of and agreement to this policy. Annual reviews will adhere to state regulations that require public notice for any significant pecuniary transaction

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section B, line 15	<p>The evaluation of the performance of the Chief Executive Officer ("CEO") of Concord Hospital and its subsidiaries (collectively the "Hospital") is an important responsibility of the Board of Trustees (the "Board") and is vital in ensuring that the Hospital meets its mission. The Board has delegated the responsibility of initiating the process of conducting the CEO's performance evaluation and initiating the process of setting the CEO's compensation to the Board's Compensation Committee. The Compensation Committee also is charged with the responsibility of reviewing the appropriateness of the compensation of the Hospital's Chief Operating Officer and Chief Financial Officer as proposed by the CEO. The Compensation Committee shall present its report of the CEO's annual performance to the Board for its further input and consideration. The Compensation Committee shall also make its recommendation to the Board concerning the CEO's compensation. Finally, the Compensation Committee shall make its recommendation to the Board concerning the compensation of the COO and CFO. The Board shall review the recommendations of the Compensation Committee as to the compensation of the Hospital's CEO, COO and CFO and shall set their compensation as the Board deems appropriate. Although the Hospital continues to value the role of Capital Region Health Care Corporation ("CRHC") and the Hospital's participation in that organization, the Board acknowledges that it is not the responsibility of the Board to evaluate or set the compensation of the Chief Executive Officer of CRHC. Neither is it the role of the Board of Trustees of CRHC to evaluate, or set the compensation of, the Hospital's CEO. Accordingly, CRHC's Board of Trustees is not involved in evaluating or setting the compensation of the Hospital's CEO. The Board acknowledges that the Hospital's CEO may also serve as the Chief Executive Officer of CRHC and that the Hospital may charge CRHC for these services. The Board may consider the comments of the Board of Trustees of CRHC, as outlined herein, when deemed relevant in evaluating the performance of the Hospital's CEO. The Board directs that the Compensation Committee and the Board itself, in their respective undertakings of recommending and setting the compensation of the Hospital's CEO, COO and CFO, avoid conflicts of interest and be guided by the "rebuttable presumption of reasonableness" regulations under the so-called "Excess Benefit Transaction" provisions of the Internal Revenue Code ("IRC"). The Board authorizes the Compensation Committee to use such financial and advisory (e.g., legal counsel, consultant) resources as it reasonably deems appropriate to fulfill its duties in evaluating the CEO's performance and in making its recommendations to the Board regarding compensation for the CEO, COO and CFO.</p>

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section C, line 19	Yes, the organization makes all of this information available to the public. Audited financial statements and the most recent quarter ended financial statements are posted on the Hospital's web site, <a href="http://www.concordhospital.org">www.concordhospital.org</a> . In addition to this, the hospital sends its annual report, including a financial summary, to members of the community via the US Postal service. Governing documents and conflicts of interest filings adhere to state regulations that require public notice for any significant pecuniary transaction.

Identifier	Return Reference	Explanation
Changes in Net Assets or Fund Balances	Form 990, Part XI, line 5	Net unrealized losses on investments -18,087,295 Pension Actuarial Loss -16,395,699 Net transfer to affiliate -757,740 Total to Form 990, Part XI, Line 5 -35,240,734

Identifier	Return Reference	Explanation
	FORM 990, PART XII, LINE 2C	There was no change in the process for oversight of the audit and compilation of financial statements for the fiscal year. The Board has a finance committee, which reviews the financial statements monthly. There is also an audit committee of the Board, which reviews the annual audit process and the selection of the independent accountant. The same independent firm of accountants performed the audit for the fiscal years ending 9/30/10 and 9/30/11.

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**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**

## CONCORD HOSPITAL INC

**Employer identification number**

22-2594672

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

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

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

**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) CAPITAL REGION HEALTH SERVICES CORPORATION 250 PLEASANT STREET CONCORD, NH03301 02-0428631	MEDICAL SERVICES	NH	N/A	C			
(2) CAPITAL REGION PRIMARY CARE CORPORATION 250 PLEASANT STREET CONCORD, NH03301 02-0495275	INACTIVE	NH	N/A	C			

**Part V Transactions With Related Organizations** (Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35, 35A, or 36.)**Note.** Complete line 1 if any entity is listed in Parts II, III or IV

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	Yes	
1b	Yes	
1c	Yes	
1d	Yes	
1e		No
1f		No
1g		No
1h		No
1i		No
1j	Yes	
1k		No
1l		No
1m		No
1n	Yes	
1o		No
1p	Yes	
1q		No
1r		No

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

	(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1)				
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:** 22-2594672  
**Name:** CONCORD HOSPITAL INC

## Form 990, Schedule R, Part II - Identification of Related Tax-Exempt Organizations

(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
CAPITAL REGION HEALTH CARE CORPORATION  250 PLEASANT STREET CONCORD, NH03301 02-0222123	PROMOTE COMPREHENSIVE HEALTH SERVICE SYSTEM	NH	501(C)(3)	11 TYPE I	N/A		No
CAPITAL REGION HEALTH PHYSICIANS GROUP CORP  250 PLEASANT STREET CONCORD, NH03301 02-0481705	PROVIDE MEDICAL CARE TO COMMUNITY	NH	501(C)(3)	9	N/A		No
CAPITAL REGION HEALTH VENTURES CORP  250 PLEASANT STREET CONCORD, NH03301 02-0438264	PROVIDE MEDICAL CARE TO COMMUNITY	NH	501(C)(3)	11 TYPE II	N/A		No
CAPITAL REGION HEALTH CARE DEVELOPMENT CORPORATION  250 PLEASANT STREET CONCORD, NH03301 02-0429749	SUPPORT CONCORD HOSPITAL & OTHER AFFILIATES	NH	501(C)(2)		N/A		No
CONCORD REGIONAL VISITING NURSE ASSOCIATION INC  PO BOX 1797 CONCORD, NH033021797 02-0222122	HOME HEALTH CARE & HOSPICE SERVICES	NH	501(C)(3)	9	N/A		No
RIVERBEND COMMUNITY MENTAL HEALTH INC  3-5 NORTH STATE STREET CONCORD, NH033022032 02-0264383	MULTI-SERVICE TEAM	NH	501(C)(3)	7	N/A		No
CHDHC INC  250 PLEASANT STREET CONCORD, NH03301 02-0519680	PROVIDE HEALTH SERVICES TO CONCORD COMMUNITY	NH	501(C)(3)	3	N/A		No
CONCORD HOSPITAL TRUST  250 PLEASANT STREET CONCORD, NH03301 26-0378710	FUNDRAISING	NH	501(C)(3)	11 TYPE I	N/A		No

## 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)	CAPITAL REGION HEALTH CARE DEVELOPMENT CORP	A	1,441,706	Actual per books
(2)	CAPITAL REGION HEALTH CARE CORP	B	142,653	Actual per books
(3)	CAPITAL REGION PHYSICIAN GROUP CORP	B	1,093,898	Actual per books
(4)	CHDHC	B	52,455	Actual per books
(5)	CAPITAL REGION HEALTH CARE VENTURES CORP	C	5,750,071	Actual per books
(6)	CONCORD HOSPITAL TRUST	C	199,712	Actual per books
(7)	CAPITAL REGION HEALTH CARE SERVICES CORP	C	354,752	Actual per books
(8)	CAPITAL REGION HEALTH CARE DEVELOPMENT CORP	J	2,303,142	Actual per books
(9)	CAPITAL REGION HEALTH CARE DEVELOPMENT CORP	N	332,282	Actual per books
(10)	CAPITAL REGION HEALTH CARE VENTURES CORP	N	784,345	Actual per books
(11)	CAPITAL REGION PHYSICIAN GROUP CORP	N	2,809,925	Actual per books
(12)	CONCORD HOSPITAL TRUST	N	354,708	Actual per books
(13)	CAPITAL REGION HEALTH CARE DEVELOPMENT CORP	P	2,177,758	Actual per books
(14)	CAPITAL REGION HEALTH CARE VENTURES CORP	P	746,724	Actual per books
(15)	CAPITAL REGION PHYSICIAN GROUP CORP	P	218,267	Actual per books
(16)	CONCORD HOSPITAL TRUST	P	236,639	Actual per books

## **Concord Hospital, Inc. and Subsidiaries**

**Audited Consolidated Financial Statements  
and Additional Information**

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

# **CONCORD HOSPITAL, INC. AND SUBSIDIARIES**

## **Audited Consolidated Financial Statements and Additional Information**

**Years Ended September 30, 2011 and 2010**

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### INDEPENDENT AUDITORS' REPORT

The Board of Trustees  
Concord Hospital, Inc

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2011 on our consideration of Concord Hospital, Inc and Subsidiaries' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

*Baker Newman & Noyes*

Manchester, New Hampshire  
December 16, 2011

Limited Liability Company

## **CONCORD HOSPITAL, INC. AND SUBSIDIARIES**

## CONSOLIDATED BALANCE SHEETS

September 30, 2011 and 2010

**ASSETS**  
(In thousands)

	<u>2011</u>	<u>2010</u>
<b>Current assets</b>		
Cash and cash equivalents	\$ 8,449	\$ 6,726
Investments	20,368	14,357
Accounts receivable, less allowance for doubtful accounts of \$17,438 in 2011 and \$16,066 in 2010	43,144	40,416
Due from affiliates	352	241
Supplies	832	581
Prepaid expenses	4,181	3,429
Current portion of pledges receivable	<u>126</u>	<u>105</u>
Total current assets	77,452	65,855
 Pledges receivable, net of current portion	9	16
 Assets whose use is limited or restricted		
Board designated	152,609	151,045
Funds held by trustee		
Workers' compensation reserves and self-insurance escrow	17,695	5,916
Donor-restricted	<u>27,683</u>	<u>28,710</u>
Total assets whose use is limited or restricted	197,987	185,671
 Other noncurrent assets		
Due from affiliates, net of current portion	3,570	3,324
Bond issuance costs and other assets	<u>7,583</u>	<u>6,608</u>
Total other noncurrent assets	11,153	9,932
 Property and equipment		
Land and land improvements	5,242	5,367
Buildings	159,443	155,092
Equipment	190,991	179,476
Construction in progress	<u>4,500</u>	<u>4,575</u>
 Less accumulated depreciation	360,176	344,510
 Net property and equipment	<u>(201,906)</u>	<u>(187,959)</u>
	\$ 444,871	\$ 418,025

**LIABILITIES AND NET ASSETS**  
(In thousands)

See accompanying notes

**CONCORD HOSPITAL, INC. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF OPERATIONS**

Years Ended September 30, 2011 and 2010  
(In thousands)

	<u>2011</u>	<u>2010</u>
Unrestricted revenue and other support		
Net patient service revenue	\$400,203	\$378,606
Other revenue	20,401	19,701
Disproportionate share revenue	20,537	17,375
Net assets released from restrictions for operations	<u>953</u>	<u>841</u>
Total unrestricted revenue and other support	442,094	416,523
Expenses		
Salaries and wages	167,048	162,738
Employee benefits	43,271	41,825
Supplies and other	72,384	70,054
Purchased services	56,961	53,801
Professional fees	12,393	12,398
Depreciation and amortization	22,777	23,613
Provision for doubtful accounts	24,173	20,077
Medicaid enhancement tax	21,542	17,375
Interest expense	<u>5,440</u>	<u>5,688</u>
Total expenses	<u>425,989</u>	<u>407,569</u>
Income from operations	16,105	8,954
Nonoperating income		
Unrestricted gifts and bequests	196	283
Investment income and other	<u>10,938</u>	<u>5,696</u>
Total nonoperating income	<u>11,134</u>	<u>5,979</u>
Excess of revenues and gains over expenses	<u>\$ 27,239</u>	<u>\$ 14,933</u>

See accompanying notes

**CONCORD HOSPITAL, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS**

Years Ended September 30, 2011 and 2010  
 (In thousands)

	<u>2011</u>	<u>2010</u>
Unrestricted net assets		
Excess of revenues and gains over expenses	\$ 27,239	\$ 14,933
Net unrealized (losses) gains on investments	(19,797)	6,367
Net transfers from affiliates	316	249
Net assets released from restrictions used for purchases of property and equipment	148	1,960
Pension adjustment	<u>(16,396)</u>	<u>(4,628)</u>
(Decrease) increase in unrestricted net assets	(8,490)	18,881
Temporarily restricted net assets		
Restricted contributions and pledges	1,137	1,264
Restricted investment income	1,459	904
Contributions to affiliates and other community organizations	(137)	(114)
Net unrealized (losses) gains on investments	(1,958)	481
Net assets released from restrictions for operations	(953)	(841)
Net assets released from restrictions used for purchases of property and equipment	<u>(148)</u>	<u>(1,960)</u>
Decrease in temporarily restricted net assets	(600)	(266)
Permanently restricted net assets		
Restricted contributions and pledges	118	140
Unrealized (losses) gains on trusts administered by others	<u>(533)</u>	<u>309</u>
(Decrease) increase in permanently restricted net assets	<u>(415)</u>	<u>449</u>
(Decrease) increase in net assets	(9,505)	19,064
Net assets, beginning of year	<u>215,733</u>	<u>196,669</u>
Net assets, end of year	<u>\$206,228</u>	<u>\$215,733</u>

See accompanying notes

**CONCORD HOSPITAL, INC. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

Years Ended September 30, 2011 and 2010  
(In thousands)

	<u>2011</u>	<u>2010</u>
<b>Cash flows from operating activities</b>		
(Decrease) increase in net assets	\$ (9,505)	\$ 19,064
Adjustments to reconcile (decrease) increase in net assets to net cash provided by operating activities		
Restricted contributions and pledges	(1,255)	(1,404)
Depreciation and amortization	22,777	23,613
Net realized and unrealized losses (gains) on investments	11,435	(11,709)
Bond discount/premium amortization	36	(109)
Change in fair value of interest rate swap	–	(330)
Provision for doubtful accounts	24,173	20,077
Equity in earnings of affiliates, net	(6,531)	(5,912)
Loss on disposal of property and equipment	193	143
Pension adjustment	16,396	4,628
Changes in operating assets and liabilities		
Accounts receivable	(26,901)	(14,074)
Supplies and prepaid expenses	(1,003)	(316)
Other assets	(898)	1,111
Due from affiliates	(357)	(323)
Accounts payable and accrued expenses	2,844	(1,595)
Accrued compensation and related expenses	2,282	1,087
Accrual for estimated third-party pay or settlements	5,203	265
Accrued pension and other long-term liabilities	<u>(3,658)</u>	<u>(1,351)</u>
Net cash provided by operating activities	<u>35,231</u>	<u>32,865</u>
<b>Cash flows from investing activities</b>		
Increase in property and equipment, net	(24,505)	(14,037)
Purchases of investments	(173,807)	(141,208)
Proceeds from sales of investments	144,045	131,285
Equity distributions from affiliates	<u>6,270</u>	<u>6,986</u>
Net cash used by investing activities	<u>(47,997)</u>	<u>(16,974)</u>
<b>Cash flows from financing activities</b>		
Payments on long-term debt	(36,490)	(9,825)
Proceeds from issuance of long-term debt	50,095	–
Payment to settle interest rate swap obligation	–	(2,393)
Change in short-term notes payable	(357)	(625)
Restricted contributions and pledges	<u>1,241</u>	<u>1,773</u>
Net cash provided (used) by financing activities	<u>14,489</u>	<u>(11,070)</u>
Net increase in cash and cash equivalents	1,723	4,821
Cash and cash equivalents at beginning of year	<u>6,726</u>	<u>1,905</u>
Cash and cash equivalents at end of year	<u>\$ 8,449</u>	<u>\$ 6,726</u>

See accompanying notes

# CONCORD HOSPITAL, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2011 and 2010  
(In thousands)

### 1. Description of Organization and Summary of Significant Accounting Policies

#### Organization

Concord Hospital, Inc. (the Hospital) located in Concord, New Hampshire, is a not-for-profit acute care hospital. The Hospital provides inpatient, outpatient, emergency care and physician services for residents within its geographic region. Admitting physicians are primarily practitioners in the local area. The Hospital is controlled by Capital Regional Health Care Corporation (CRHC).

In 1985, the then Concord Hospital underwent a corporate reorganization in which it was renamed and became CRHC. At the same time, the Hospital was formed as a new entity. All assets and liabilities of the former hospital, now CRHC, with the exception of its endowments and restricted funds, were conveyed to the new Hospital. The endowments were held by CRHC for the benefit of the Hospital, which is the true party in interest. Effective October 1, 1999, CRHC transferred these funds to the Hospital.

In March 2009, Concord Hospital created The Concord Hospital Trust (the Trust), a separately incorporated, not-for-profit organization to serve as the Hospital's philanthropic arm. In establishing the Trust, the Hospital transferred philanthropic permanent and temporarily restricted funds, including board designated funds, endowments, indigent care funds and specific purpose funds, to the newly formed organization together with the stewardship responsibility to direct monies available to support the Hospital's charitable mission and reflect the specific intentions of the donors who made these gifts. Concord Hospital and the Trust constitute the Obligated Group at September 30, 2011 and 2010 to certain debt described in Note 7.

Subsidiaries of the Hospital include:

Capital Region Physicians Group Corporation (CRPGC) is a not-for-profit corporation that was most recently comprised of one physician group. During fiscal 2011, the physician group moved out of the subsidiary into Concord Hospital.

Capital Region Health Care Development Corporation (CRHCDC) is a not-for-profit real estate corporation that owns and operates medical office buildings and other properties.

Capital Region Health Ventures Corporation (CRHVC) is a not-for-profit corporation that engages in health care delivery partnerships and joint ventures. It operates ambulatory surgery and diagnostic facilities in cooperation with other entities.

CH DHC, Inc. d b a Dartmouth-Hitchcock-Concord (CH DHC) is a not-for-profit corporation that provides clinical medical services through a multi-specialty group practice. CH/DHC was formed under a joint agreement between the Hospital and DH-Concord.

The Hospital, its subsidiaries and the Trust are collectively referred to as the System. The consolidated financial statements include the accounts of the Hospital, the Trust, CRHCDC, CRHVC, CRPGC and CH/DHC. All significant intercompany balances and transactions have been eliminated in consolidation.

# CONCORD HOSPITAL, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2011 and 2010  
(In thousands)

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

#### *Use of Estimates*

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

#### *Concentration of Credit Risk*

Financial instruments which subject the Hospital to credit risk consist primarily of cash equivalents, accounts receivable and investments. The risk with respect to cash equivalents is minimized by the Hospital's policy of investing in financial instruments with short-term maturities issued by highly rated financial institutions. The Hospital's accounts receivable are primarily due from third-party payors and amounts are presented net of expected contractual allowances and uncollectible amounts. The Hospital's investment portfolio consists of diversified investments, which are subject to market risk, but are not subject to concentrations in any sectors.

#### *Cash and Cash Equivalents*

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

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

#### *Supplies*

Supplies are carried at the lower of cost, determined on a weighted-average method, or market.

#### *Assets Whose Use is Limited or Restricted*

Assets whose use is limited or restricted include assets held by trustees under indenture agreements, workers' compensation reserves, quasi-endowment funds, designated assets set aside by the Board of Trustees, over which the Board retains control and may, at its discretion, subsequently use for other purposes, and donor-restricted investments.

# CONCORD HOSPITAL, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2011 and 2010  
(In thousands)

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

#### Investments and Investment Income

Investments are carried at fair value in the accompanying consolidated balance sheets. Investment income (including realized gains and losses on investments, interest and dividends) is included in the excess of revenues and gains over expenses unless the income is restricted by donor or law. Gains and losses on investments are computed on a specific identification basis. Unrealized gains and losses on investments are excluded from the excess of revenues and gains over expenses unless the investments are classified as trading securities or losses are considered other-than-temporary. Periodically, management reviews investments for which the market value has fallen significantly below cost and recognizes impairment losses where they believe the declines are other-than-temporary.

#### Beneficial Interest in Perpetual Trusts

The System has an irrevocable right to receive income earned on certain trust assets established for its benefit. Distributions received by the System are unrestricted. The System's interest in the fair value of the trust assets is included in assets whose use is limited. Changes in the fair value of beneficial trust assets are reported as increases or decreases to permanently restricted net assets.

#### Investment Policies

The System's investment policies provide guidance for the prudent and skillful management of invested assets with the objective of preserving capital and maximizing returns. The invested assets include endowment, specific purpose and board designated (unrestricted) funds.

Endowment funds are identified as permanent in nature, intended to provide support for current or future operations and other purposes identified by the donor. These funds are managed with disciplined longer-term investment objectives and strategies designed to accommodate relevant, reasonable, or probable events.

Temporarily restricted funds are temporary in nature, restricted as to time or purpose as identified by the donor or grantor. These funds have various intermediate/long-term time horizons associated with specific identified spending objectives.

Board designated funds have various intermediate/long-term time horizons associated with specific spending objectives as determined by the Board of Trustees.

Management of these assets is designed to increase, with minimum risk, the inflation adjusted principal and income of the endowment funds over the long term. The System targets a diversified asset allocation that places emphasis on achieving its long-term return objectives within prudent risk constraints.

# CONCORD HOSPITAL, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2011 and 2010  
(In thousands)

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

#### *Spending Policy for Appropriation of Assets for Expenditure*

In accordance with the *Uniform Prudent Management of Institutional Funds Act* (UPMIFA), the System considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds (a) the duration and preservation of the fund, (b) the purpose of the organization and the donor-restricted endowment fund, (c) general economic conditions, (d) the possible effect of inflation and deflation, (e) the expected total return from income and the appreciation of investments, (f) other resources of the organization, and (g) the investment policies of the organization

Spending policies may be adopted by the System, from time to time, to provide a stream of funding for the support of key programs. The spending policies are structured in a manner to ensure that the purchasing power of the assets is maintained while providing the desired level of annual funding to the programs. The System has a current spending policy on various funds currently equivalent to 5% of twelve-quarter moving average of the funds' total market value

#### *Accounts Receivable*

The allowance for doubtful accounts is provided based on an analysis by management of the collectibility of outstanding balances. Management considers the age of outstanding balances and past collection efforts in determining the allowance for doubtful accounts. Accounts deemed uncollectible are charged off against the established allowance

#### *Property and Equipment*

Property and equipment is stated at cost at time of purchase, or at fair value at time of donation for assets contributed, less any reductions in carrying value for impairment and less accumulated depreciation. The System's policy is to capitalize expenditures for major improvements and charge maintenance and repairs currently for expenditures which do not extend the lives of the related assets. Depreciation is computed using the straight-line method in a manner intended to amortize the cost of the related assets over their estimated useful lives. For the years ended September 30, 2011 and 2010, depreciation expense was \$22,593 and \$23,381, respectively

The System has also capitalized certain costs associated with property and equipment not yet in service. Construction in progress includes amounts incurred related to major construction projects, other renovations, and other capital equipment purchased but not yet placed in service. Interest capitalized as part of construction projects was \$38 and \$0- during 2011 and 2010, respectively

# CONCORD HOSPITAL, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2011 and 2010  
(In thousands)

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

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

#### *Federal Grant Revenue and Expenditures*

Revenues and expenses under federal grant programs are recognized as the grant expenditures are incurred.

#### *Bond Issuance Costs Original Issue Discount or Premium*

Bond issuance costs incurred to obtain financing for construction and renovation projects and the original issue discount or premium are being amortized by the straight-line method, which approximates the effective interest method, over the life of the respective bonds. The original issue discount or premium is presented as a component of bonds payable.

#### *Charity Care*

The System provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates (Note 12). Because the System does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue.

#### *Temporarily and Permanently Restricted Net Assets*

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

Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying consolidated financial statements.

# CONCORD HOSPITAL, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2011 and 2010  
(In thousands)

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

#### Net Patient Service Revenue

The System has agreements with third-party payors that provide for payments to the System at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, per diem payments and fee schedules. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Changes in these estimates are reflected in the financial statements in the year in which they occur. For the years ended September 30, 2011 and 2010, net patient service revenue in the accompanying consolidated statements of operations increased by approximately \$643 and \$2,035, respectively, due to actual settlements and changes in assumptions underlying estimated future third-party settlements.

Revenues from the Medicare and Medicaid programs accounted for approximately 27% and 4% and 26% and 3% of the System's net patient service revenue for the years ended September 30, 2011 and 2010, respectively. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation.

#### Donor-Restricted Gifts

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

#### Excess of Revenues and Gains Over Expenses

The System has deemed all activities as ongoing, major or central to the provision of health care services and, accordingly, they are reported as operating revenue and expenses, except for unrestricted contributions and pledges, the related philanthropy expenses and investment income which are recorded as nonoperating income.

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

# CONCORD HOSPITAL, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2011 and 2010  
(In thousands)

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

#### *Estimated Workers' Compensation and Health Care Claims*

The provision for estimated workers' compensation and health care claims includes estimates of the ultimate costs for both reported claims and claims incurred but not reported

#### *Income Taxes*

The Hospital, CRHCDC, CRHVC, CRPGC, CH/DHC and the Trust 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. Management evaluated the System's tax positions and concluded the System has maintained its tax-exempt status, does not have any significant unrelated business income and had taken no uncertain tax positions that require adjustment to or disclosure in the accompanying consolidated financial statements. With few exceptions, the System is no longer subject to income tax examination by the U.S. federal or state tax authorities for years before 2008.

#### *Advertising Costs*

The System expenses advertising costs as incurred, and such costs totaled approximately \$197 and \$183 for the years ended September 30, 2011 and 2010, respectively.

#### *Derivative and Hedging Activities*

The Financial Accounting Standards Board's (FASB) Codification addresses the accounting for derivatives and hedging activities. The Codification's provisions require that the Hospital record as an asset or liability the fair value of any interest rate swap agreements. The change in fair value is recorded within investment income (loss) and other on the consolidated statements of operations. The Hospital is exposed to repayment loss equal to any net amounts receivable under interest rate swap agreements (not the notional amount) in the event of nonperformance of the other party to the swap agreements. In 2010, the Hospital terminated its existing interest rate swap agreement. See Note 7.

#### *Reclassifications*

Certain 2010 amounts have been reclassified to permit comparison with the 2011 consolidated financial statements presentation format.

#### *Subsequent Events*

Management of the System evaluated events occurring between the end of its fiscal year and December 16, 2011, the date the consolidated financial statements were available to be issued.

# CONCORD HOSPITAL, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2011 and 2010  
(In thousands)

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

#### *Recent Accounting Pronouncements*

In July 2011, the FASB issued Accounting Standards Update (ASU) No 2011-07, *Health Care Entities (Topic 954) Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities*. The ASU is effective for fiscal years and interim periods beginning after December 31, 2011, with early adoption permitted. Changes to the presentation of the provision for bad debts related to patient service revenue in the statement of operations are applied retrospectively to all prior periods presented. The ASU states that a health care entity that recognizes significant amounts of patient service revenue at the time the services are rendered, even though it does not assess the patient's ability to pay, must present bad debts as a reduction of net patient revenue and not as a separate item in operating expenses. The change in presentation, as required by this guidance, is not expected to significantly impact the System's financial position, results of operations or cash flows.

In August 2010, the FASB issued ASU No 2010-23 which provides amended guidance for the measurement of charity care for disclosure. The objective of ASU No 2010-23 is to reduce the diversity in practice regarding the measurement basis used in the disclosure of charity care. To accomplish that, this guidance requires that cost be used as the measurement basis for charity care disclosure purposes and that cost be identified as the direct and indirect costs of providing the charity care. This amendment also requires disclosure of the method used to identify or determine such costs. The ASU is effective for the System for the year ending September 30, 2012. The System does not expect that the impact of this accounting pronouncement will be significant to its consolidated financial statements.

In August 2010, the FASB issued ASU No 2010-24 which addresses the diversity in the accounting for medical malpractice and similar liabilities and their related anticipated insurance recoveries by health care entities that mostly have netted insurance recoveries against the accrued liability, although some have presented the anticipated insurance recovery and the liability on a gross basis. The amendments to Topic 954 clarify that a health care entity should not net insurance recoveries against a related claim liability, the amount of the claim liability should be determined without consideration of insurance recoveries. This ASU is effective for the System for the fiscal year ending September 30, 2012. The System does not expect that the impact of this accounting pronouncement will be significant to its consolidated financial statements.

### **2. Transactions With Affiliates**

The System provides funds to CRHC and its affiliates which are used for a variety of purposes. The System records the transfer of funds to CRHC and the other affiliates as either receivables or directly against net assets, depending on the intended use and repayment requirements of the funds. Generally, funds transferred for start-up costs of new ventures or capital related expenditures are recorded as charges against net assets. For the years ended September 30, 2011 and 2010, transfers made to CRHC were \$(39) and \$(41), respectively, and transfers received from Capital Region Health Care Services Corporation (CRHCSC) were \$355 and \$290, respectively.

# CONCORD HOSPITAL, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2011 and 2010  
(In thousands)

### 2. Transactions With Affiliates (Continued)

A brief description of affiliated entities is as follows

- CRHCSC is a for-profit provider of health care services, including an eye surgery center and assisted living facility
- Concord Regional Visiting Nurse Association, Inc and Subsidiary (CRVNA) provides home health care services
- Riverbend, Inc provides behavioral health services

Amounts due the System, primarily from joint ventures, totaled \$3,922 and \$3,565 at September 30, 2011 and 2010, respectively. Amounts have been classified as current or long-term depending on the intentions of the parties involved. Beginning in 1999, the Hospital began charging interest on a portion of the receivables (\$1,033 and \$1,063 at September 30, 2011 and 2010, respectively) with principal and interest (6.75% at September 30, 2011) payments due monthly. Interest income amounted to \$71 and \$73 for the years ended September 30, 2011 and 2010, respectively.

Contributions to affiliates and other community organizations from temporarily restricted net assets were \$137 and \$114 in 2011 and 2010, respectively.

### 3. Pledges Receivable

Pledges receivable from donors are as follows at September 30

	<u>2011</u>	<u>2010</u>
Less than one year	\$ 139	\$ 144
One to five years	9	16
	<u>148</u>	<u>160</u>
Less discount and allowance for uncollectible pledges	(13)	(39)
	<u>\$ 135</u>	<u>\$ 121</u>

# CONCORD HOSPITAL, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2011 and 2010  
(In thousands)

### 4. Investments and Assets Whose Use is Limited or Restricted

Investments totaling \$20,368 and \$14,357 at September 30, 2011 and 2010, respectively, are comprised primarily of cash and cash equivalents. Assets whose use is limited or restricted are carried at fair value and consist of the following at September 30

	<u>2011</u>	<u>2010</u>
Board designated funds		
Cash and cash equivalents	\$ 987	\$ 4,978
Fixed income securities	33,242	26,394
Marketable equity and other securities	105,418	113,597
Inflation-protected securities	<u>12,962</u>	<u>6,076</u>
	152,609	151,045
Held by trustees for workers' compensation reserves		
Fixed income securities	3,275	3,245
Health insurance, debt service and other escrow funds		
Cash and cash equivalents	863	663
Fixed income securities	450	529
Marketable equity securities	1,826	1,479
Guaranteed interest contract	<u>11,281</u>	<u>—</u>
	14,420	2,671
Donor restricted		
Cash and cash equivalents	2,488	2,316
Fixed income securities	3,213	3,172
Marketable equity securities	11,247	11,774
Inflation-protected securities	1,421	1,601
Trust funds administered by others	<u>9,314</u>	<u>9,847</u>
	<u>27,683</u>	<u>28,710</u>
	<u><u>\$197,987</u></u>	<u><u>\$185,671</u></u>

Included in marketable equity securities above are \$77,792 and \$60,718 at September 30, 2011 and 2010, respectively, in so called alternative investments

# CONCORD HOSPITAL, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2011 and 2010  
(In thousands)

### 4. Investments and Assets Whose Use is Limited or Restricted (Continued)

Investment income, net realized gains and losses and net unrealized gains and losses on assets whose use is limited or restricted, cash and cash equivalents, and other investments are as follows at September 30

	<u>2011</u>	<u>2010</u>
<b>Unrestricted</b>		
Interest and dividends	\$ 3,128	\$ 2,413
Investment income from trust funds administered by others	535	424
Net realized gains on sales of investments	<u>9,684</u>	<u>3,923</u>
	<u>13,347</u>	<u>6,760</u>
 <b>Restricted</b>		
Interest and dividends	290	275
Net realized gains on sales of investments	<u>1,169</u>	<u>629</u>
	<u>1,459</u>	<u>904</u>
	 <u>\$ 14,806</u>	 <u>\$ 7,664</u>
 <b>Other changes in net assets</b>		
Net unrealized gains (losses) on investments		
Unrestricted	\$ (19,797)	\$ 6,367
Temporarily restricted	(1,958)	481
Permanently restricted	<u>(533)</u>	<u>309</u>
	 <u>\$ (22,288)</u>	 <u>\$ 7,157</u>

In compliance with the System's spending policy, portions of investment income and related fees are recognized in other operating revenue on the accompanying consolidated statements of operations. Investment income reflected in other operating revenue was \$1,541 in both 2011 and 2010.

Investment management fees expensed and reflected in nonoperating income were \$842 and \$628 for the years ended September 30, 2011 and 2010, respectively.

# CONCORD HOSPITAL, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2011 and 2010  
(In thousands)

### 4. Investments and Assets Whose Use is Limited or Restricted (Continued)

The following summarizes the Hospital's gross unrealized losses and fair values, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position at September 30, 2011 and 2010

	Less Than 12 Months		12 Months or Longer		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
<b>2011</b>						
Marketable equity securities	\$ 40,742	\$ (6,165)	\$ 6,501	\$ (2,305)	\$ 47,243	\$ (8,470)
ADR	294	(69)	—	—	294	(69)
REIT	378	(39)	—	—	378	(39)
Miscellaneous	22,938	(4,319)	360	(131)	23,298	(4,450)
Fixed income securities	<u>4,433</u>	<u>(468)</u>	<u>—</u>	<u>—</u>	<u>4,433</u>	<u>(468)</u>
	<u><b>\$68,785</b></u>	<u><b>\$(11,060)</b></u>	<u><b>\$ 6,861</b></u>	<u><b>\$(2,436)</b></u>	<u><b>\$75,646</b></u>	<u><b>\$(13,496)</b></u>
<b>2010</b>						
Marketable equity securities	\$ 7,031	\$ (997)	\$ 4,301	\$ (849)	\$ 11,332	\$ (1,846)
ADR	418	(14)	666	(216)	1,084	(230)
REIT	—	—	347	(97)	347	(97)
Miscellaneous	—	—	<u>11,405</u>	<u>(70)</u>	<u>11,405</u>	<u>(70)</u>
	<u><b>\$ 7,449</b></u>	<u><b>\$(1,011)</b></u>	<u><b>\$16,719</b></u>	<u><b>\$(1,232)</b></u>	<u><b>\$24,168</b></u>	<u><b>\$(2,243)</b></u>

In evaluating whether investments have suffered an other-than-temporary decline, based on input from outside investment advisors, management evaluated the amount of the decline compared to cost, the length of time and extent to which fair value has been less than cost, the underlying creditworthiness of the issuer, the fair values exhibited during the year, estimated future fair values and the System's intent and ability to hold the security until a recovery in fair value or maturity. Based on evaluations of the underlying issuers' financial condition, current trends and economic conditions, management believes that unrealized losses related to securities that have suffered an other-than-temporary decline in value are not material to these consolidated financial statements

### 5. Defined Benefit Pension Plan

The System has a noncontributory defined benefit pension plan (the Plan), covering all eligible employees of the System and subsidiaries. The Plan is a cash balance plan that provides benefits based on an employee's years of service, age and the employee's compensation over those years. The System's funding policy is to contribute annually the amount needed to meet or exceed actuarially determined minimum funding requirements of the *Employee Retirement Income Security Act of 1974* (ERISA)

## **CONCORD HOSPITAL, INC. AND SUBSIDIARIES**

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2011 and 2010  
(In thousands)

## **5. Defined Benefit Pension Plan (Continued)**

The System accounts for its defined benefit pension plan under ASC 715, *Compensation Retirement Benefits*. This Statement requires entities to recognize an asset or liability for the overfunded or underfunded status of their benefit plans in their financial statements.

The following table summarizes the Plan's funded status at September 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Pension benefits		
Fair value of plan assets	\$ 98,213	\$ 97,512
Projected benefit obligation	<u>155,288</u>	<u>141,191</u>
	<u><u><b><u>\$(57,075)</u></b></u></u>	<u><u><b><u>\$(43,679)</u></b></u></u>

Activities for the year consist of

Benefit payments and administrative expenses	\$ 6,576	\$ 3,228
Net periodic cost	7,596	7,404

The table below presents details about the System's defined benefit pension plan, including its funded status, components of net periodic benefit cost, and certain assumptions used in determining the funded status and cost

	<u>2011</u>	<u>2010</u>
<b>Change in benefit obligation</b>		
Benefit obligation at beginning of year	\$141,191	\$127,498
Service cost	6,967	6,562
Interest cost	7,742	7,521
Actuarial loss	5,964	2,838
Benefits paid	<u>(6,576)</u>	<u>(3,228)</u>
 Benefit obligation at end of year	 <u>\$155,288</u>	 <u>\$141,191</u>
<b>Change in plan assets</b>		
Fair value of plan assets at beginning of year	\$ 97,512	\$ 86,059
Actual return on plan assets	(3,323)	6,431
Employer contribution	10,600	8,250
Benefit payments and administrative expenses paid	<u>(6,576)</u>	<u>(3,228)</u>
 Fair value of plan assets at end of year	 <u>\$ 98,213</u>	 <u>\$ 97,512</u>
<b>Funded status and amount recognized in noncurrent liabilities at September 30</b>		
	<u>\$ (57,075)</u>	<u>\$ (43,679)</u>

# CONCORD HOSPITAL, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2011 and 2010  
(In thousands)

### 5. Defined Benefit Pension Plan (Continued)

Amounts recognized as a change in unrestricted net assets during the years ended September 30, 2011 and 2010 consist of

	<u>2011</u>	<u>2010</u>
Net actuarial loss	\$ 18,024	\$ 4,411
Net amortized loss	(1,845)	–
Prior service credit	<u>217</u>	<u>217</u>
 Total amount recognized	 <u>\$ 16,396</u>	 <u>\$ 4,628</u>

#### Pension Plan Assets

The fair values of the System's pension plan assets and target allocations as of September 30, 2011 and 2010, by asset category are as follows (see Note 15 for level definitions)

	Target Allo- cation <u>2011</u>				Percentage of Plan Assets September 30, <u>2011</u>
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
Short-term investments					
Money market funds	0 - 5%	\$ –	\$ –	\$ –	\$ – 0%
Equity securities	40 – 70%				75%
Common stocks		16,543	–	–	16,543
Mutual funds – international		22,787	–	–	22,787
Foreign		–	647	–	647
Funds-of-funds		–	–	33,495	33,495
Fixed income securities	10 – 60%				19%
U S government and agency obligations		4,047	2,911	–	6,958
Mutual funds - REIT		353	–	–	353
Mutual funds – fixed income		6,755	–	–	6,755
Funds-of-funds		–	–	4,820	4,820
Hedge funds	0 – 20%				6%
Inflation hedge		–	5,855	–	5,855
		<u>\$ 50,485</u>	<u>\$ 9,413</u>	<u>\$ 38,315</u>	<u>\$ 98,213</u>

# CONCORD HOSPITAL, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2011 and 2010  
(In thousands)

### 5. Defined Benefit Pension Plan (Continued)

	Target Allo- cation <u>2010</u>				Percentage of Plan Assets September 30, <u>2010</u>
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
Short-term investments					
Money market funds	0 - 5%	\$    -	\$ 2,432	\$    -	\$ 2,432    2%
Equity securities	40 - 70%				77%
Common stocks		16,390	–	–	16,390
Mutual funds - growth		4,338	–	–	4,338
Mutual funds - international		23,636	–	–	23,636
Foreign		746	358	–	1,104
Funds-of-funds		–	–	29,630	29,630
Fixed income securities	10 - 60%				11%
U S government and agency obligations		1,874	2,077	–	3,951
Mutual funds - REIT		350	–	–	350
Mutual funds - fixed income		6,372	–	–	6,372
Hedge funds	0 - 20%				10%
Inflation hedge		–	9,309	–	9,309
		<u>\$53,706</u>	<u>\$14,176</u>	<u>\$29,630</u>	<u>\$97,512</u>

The funds-of-funds are invested with five investment managers and four have various restrictions on redemptions. Two of the managers allow for quarterly redemptions, with a notice of 45 or 65 days. The third allows for annual redemptions with a 60-day notice and also requires a one-year lock on newly deposited funds. The fourth allows for redemption with a minimum 15 business day written notice to the fund.

The table below sets forth a summary of changes in plan assets using unobservable inputs (Level 3)

	<u>2011</u>	<u>2010</u>
Balance, beginning of year	\$29,630	\$27,386
Unrealized gains related to instruments still held at the reporting date	<u>8,685</u>	<u>2,244</u>
Balance, end of year	<u>\$38,315</u>	<u>\$29,630</u>

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

# CONCORD HOSPITAL, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2011 and 2010  
(In thousands)

### 5. Defined Benefit Pension Plan (Continued)

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

Amounts included in expense during fiscal 2011 and 2010 consist of

	<u>2011</u>	<u>2010</u>
Components of net periodic benefit cost		
Service cost	\$ 6,967	\$ 6,562
Interest cost	7,742	7,521
Expected return on plan assets	(8,737)	(8,004)
Amortization of prior service cost and gains and losses	<u>1,624</u>	<u>1,325</u>
Net periodic benefit cost	<u>\$ 7,596</u>	<u>\$ 7,404</u>

The accumulated benefit obligations for the plan at September 30, 2011 and 2010 were \$142,427 and \$123,454, respectively.

	<u>2011</u>	<u>2010</u>
Weighted average assumptions to determine benefit obligation		
Discount rate	5 15%	5 62%
Rate of compensation increase	2 00	3 00
Weighted average assumptions to determine net periodic benefit cost		
Discount rate	5 62%	6 00%
Expected return on plan assets	8 00	8 00
Cash balance credit rate	5 00	5 00
Rate of compensation increase	3 00	4 20

In selecting the long-term rate of return on plan assets, the System considered the average rate of earnings expected on the funds invested or to be invested to provide for the benefits of the plan. This included considering the plan's asset allocation and the expected returns likely to be earned over the life of the plan, as well as the historical returns on the types of assets held and the current economic environment.

# CONCORD HOSPITAL, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2011 and 2010  
(In thousands)

### 5. Defined Benefit Pension Plan (Continued)

The loss and prior service credit amount expected to be recognized in net periodic benefit cost in 2012 are as follows

Actuarial loss	\$ 2,722
Prior service credit	<u>(217)</u>
	<u>\$ 2,505</u>

The System funds the pension plan and no contributions are made by employees. The System funds the plan annually by making a contribution of at least the minimum amount required by applicable regulations and as recommended by the System's actuary. However, the System may also fund the plan in excess of the minimum required amount.

Cash contributions in subsequent years will depend on a number of factors including performance of plan assets. However, the System expects to fund \$12,000 in cash contributions to the plan for the 2012 plan year.

Benefit payments, which reflect expected future service, as appropriate, are expected to be paid as follows

<u>Year Ended September 30</u>	<u>Pension Benefits</u>
2012	\$ 7,680
2013	8,373
2014	9,121
2015	9,888
2016	11,173
2017 – 2021	73,651

# CONCORD HOSPITAL, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2011 and 2010  
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### **6. Estimated Third-Party Payor Settlements**

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

#### Medicare

Inpatient and outpatient services rendered to Medicare program beneficiaries are primarily paid at prospectively determined rates. These rates vary according to a patient classification system that is based on clinical diagnosis and other factors. In addition to this, the System is also reimbursed for medical education and other items which require cost settlement and retrospective review by the fiscal intermediary. Accordingly, the System files an annual cost report with the Medicare program after the completion of each fiscal year to report activity applicable to the Medicare program and to determine any final settlements.

The physician practices are reimbursed on a fee screen basis.

#### Medicaid Enhancement Tax and Medicaid Disproportionate Share

Under the State of New Hampshire's tax code, the State imposes a Medicaid Enhancement Tax (MET) equal to 5.5% of net patient service revenues, with certain exclusions. The amount of tax incurred by the System for fiscal 2011 and 2010 was \$21,542 and \$17,375, respectively. Prior to 2011, this tax was recognized by the System in accordance with the System's fiscal year end. Beginning in fiscal 2011, the System changed the recognition of tax to correspond to the State of New Hampshire's fiscal year, therefore, the System recorded fifteen months of MET expense during fiscal 2011. Prior to fiscal year 2011, the State of New Hampshire had matched the MET paid by the System with a Disproportionate share payment (DSH).

Disproportionate share funding has been in place in New Hampshire since 1991, however, in the fall of 2010 the State of New Hampshire adopted a new approach related to disproportionate share funding retroactive to July 1, 2010. Unlike the former funding method, the State's new approach led to a payment that is not directly based on, and may not equate to, the level of tax imposed. In 2011, the System received disproportionate share payments covering the period July 1, 2010 to June 30, 2011 that exceeded the tax paid for the same period by \$2,896 which was recognized by the System in 2011.

The State of New Hampshire eliminated the disproportionate share payment to certain New Hampshire hospitals, including Concord Hospital for the State biennial budget for the period ending June 30, 2013. As a result, the System will be subject to the State of New Hampshire's MET based on 5.5% of net patient service revenues, with certain exclusions but does not anticipate that it will receive disproportionate share payments during the System's year ending September 30, 2012.

# CONCORD HOSPITAL, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2011 and 2010  
(In thousands)

### 6. Estimated Third-Party Payor Settlements (Continued)

#### Medicaid

Inpatient services rendered to Medicaid program beneficiaries are paid at prospectively determined rates per discharge. Outpatient services rendered to Medicaid program beneficiaries are reimbursed under fee schedules and cost reimbursement methodologies subject to various limitations or discounts. The Hospital is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicaid program.

The physician practices are reimbursed on a fee screen basis.

#### Other

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

The accrual for estimated third-party payor settlements reflected on the accompanying consolidated balance sheets represents the estimated net amounts to be paid under reimbursement contracts with the Centers for Medicare and Medicaid Services (Medicare), the New Hampshire Department of Welfare (Medicaid) and any commercial payors with settlement provision. Settlements for the Hospital have been finalized through 2007 for Medicare and Medicaid.

### 7. Long-Term Debt and Notes Payable

Long-term debt consists of the following at September 30, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
1 3% to 5 6% New Hampshire Health and Education Facilities Authority (NHHEFA) Revenue Bonds, Concord Hospital Issue, Series 2011, due in annual installments, including principal and interest of \$5,200 through 2026, net of unamortized original issue premium of \$291 in 2011	\$ 47,471	\$ -
4 95% to 6% NHHEFA Hospital Revenue Bonds, Concord Hospital Issue, Series 1996, due in annual installments, including principal and interest of \$2,963 through 2026, net of unamortized original issue discount of \$-0- in 2011 and \$165 in 2010. Paid in full in 2011	-	27,830
3 0% to 5 5% NHHEFA Hospital Revenue Bonds, Concord Hospital Issue, Series 2001, due in annual installments, including principal and interest of \$2,302 through 2031, net of unamortized original issue discount of \$413 in 2011 and \$434 in 2010	28,127	28,936

# CONCORD HOSPITAL, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2011 and 2010  
(In thousands)

### 7. Long-Term Debt and Notes Payable (Continued)

2 88% to 5 25% NHHEFA Hospital Revenue Bonds. Concord Hospital Issue Series 2004, due in annual installments, including principal and interest of \$4,264, payable through 2024, including unamortized original issue premium of \$1,265 in 2011 and \$1,363 in 2010	\$ 35,685	\$ 38,003
4% to 5% NHHEFA Revenue Anticipation Notes. Concord Hospital Issue Series 2008, due in annual installments, including principal and interest ranging from \$2,861 to \$3,756 through 2013, net of unamortized original issue premium of \$178 in 2011 and \$221 in 2010	5,914	8,787
	<u>117,197</u>	<u>103,556</u>
Less current portion	<u>(9,755)</u>	<u>(7,030)</u>
	<u><u>\$107,442</u></u>	<u><u>\$ 96,526</u></u>

In March 2011, \$49,795 of NHHEFA Revenue Bonds. Concord Hospital Issue, Series 2011, were issued to assist in the funding of a significant facility improvement project and pay off the Series 1996 Revenue Bonds. The project included expansion and renovation of various Hospital departments, infrastructure upgrades, and acquisition of capital equipment. The project began during fiscal year 2011 and is expected to be completed in fiscal year 2012.

In July 1996, \$41,365 of NHHEFA Hospital Revenue Bonds. Concord Hospital Issue, Series 1996, were issued to extinguish the Series 1990 Revenue Bonds outstanding with NHHEFA and to finance equipment purchases. On August 28, 2006, the Hospital entered into an agreement to tender certain maturities of the 1996 Revenue Bonds totaling approximately \$30,920 effective October 2, 2006. Under this agreement, a financial institution replaced the former bondholders. The Hospital continued to assume full liability for the tendered maturities of the 1996 Revenue Bonds, and made required principal and interest payments thereon. The Hospital's collateral, covenant and legal requirements under the 1996 Revenue Bonds were not changed as a result of this transaction. The Series 1996 Revenue Bonds were paid in full with the proceeds from the Series 2011 Revenue Bonds in March 2011.

In October 2001, \$35,000 of NHHEFA Hospital Revenue Bonds. Concord Hospital Issue, Series 2001, were issued to assist in the funding of a significant facility improvement project. The project included expansion of outpatient diagnostic and radiology departments, reorientation of the Hospital's main entrance, expansion and renovation of various hospital departments, infrastructure upgrades, and acquisition of capital equipment.

In August 2004, \$43,360 of NHHEFA Hospital Revenue Bonds. Concord Hospital Issue, Series 2004, were issued to assist in the funding of a significant facility improvement project. The project included construction of a parking garage facility, expansion and renovation of various Hospital departments, infrastructure upgrades, and acquisition of capital equipment.

# CONCORD HOSPITAL, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2011 and 2010  
(In thousands)

### 7. Long-Term Debt and Notes Payable (Continued)

Substantially all the property and equipment relating to the aforementioned construction and renovation projects, as well as subsequent property and equipment additions thereto, and a mortgage lien on the facility, are pledged as collateral for the Series 2001, 2004 and 2011 Revenue Bonds. In addition, the gross receipts of the Hospital are pledged as collateral for the Series 2001, 2004 and 2011 Revenue Bonds. The Series 2008 Revenue bonds are unsecured. The most restrictive financial covenants require a 1.25 to 1.0 ratio of aggregate income available for debt service to total annual debt service and a day's cash on hand ratio of 90 days. The Hospital was in compliance with its debt covenants at September 30, 2011 and 2010.

The obligations of the Hospital under the 2011, 2004 and 2001 Revenue Bond Indentures are not guaranteed by any of the subsidiaries or affiliated entities.

Interest paid on long-term debt amounted to \$5,552 and \$5,520 for the years ended September 30, 2011 and 2010, respectively.

The Hospital had executed an interest rate swap agreement with a financial institution, which was originally issued in connection with the anticipated issuance of variable rate debt for purposes of refunding of the Series 1996 Revenue Bonds issued October 1, 2006. The refunding transaction did not occur, and, as a result, the interest rate swap agreement no longer qualified for hedge accounting under the FASB's Codification. Changes in the value of the swap agreement were, therefore, reported within operations. As of December 23, 2009, the Hospital terminated this interest rate swap agreement resulting in a cash payment to the counterparty in the amount of \$2,393. The System recognized income of \$330 in 2010 as a result of changes in the fair value of the above derivative financial instrument.

The aggregate principal payments on long-term debt for the next five fiscal years ending September 30 are as follows:

2012	\$ 9,755
2013	9,725
2014	7,275
2015	7,555
2016	7,830
Thereafter	<u>75,057</u>
	<u>\$117,197</u>

## CONCORD HOSPITAL, INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2011 and 2010  
(In thousands)

#### **8. Commitments and Contingencies**

##### *Malpractice Loss Contingencies*

Prior to February 1, 2011, the System was insured against malpractice loss contingencies under claims-made insurance policies. A claims-made policy provides specific coverage for claims made during the policy period. The System maintained excess professional and general liability insurance policies to cover claims in excess of liability retention levels. Effective February 1, 2011, the System insures its medical malpractice risks through a multiprovider captive insurance company under a claims-made insurance policy. Premiums paid are based upon actuarially determined amounts to adequately fund for expected losses. At September 30, 2011, there were no known malpractice claims outstanding for the System which, in the opinion of management, will be settled for amounts in excess of insurance coverage, nor were there any unasserted claims or incidents which required loss accruals. The captive retains and funds up to actuarial expected loss amounts, and obtains reinsurance at various attachment points for individual and aggregate claims in excess of funding in accordance with industry practices. The System's interest in the captive represents approximately 28% of the captive. Control of the captive is equally shared by participating hospitals. The System has recorded its interest in the captive's equity, totaling approximately \$850 at September 30, 2011, in other noncurrent assets on the accompanying consolidated balance sheets. Changes in the System's interest are included in nonoperating gains (losses) on the accompanying consolidated statements of operations. The System has established reserves to cover professional liability exposures for incurred but unpaid or unreported claims. The amounts of the reserves have been determined by actuarial consultants. The possibility exists, as a normal risk of doing business, that malpractice claims in excess of insurance coverage may be asserted against the System.

##### *Workers' Compensation*

The Hospital maintains workers' compensation insurance under a self-insurance plan. The plan offers, among other provisions, certain specific and aggregate stop-loss coverage to protect the Hospital against excessive losses. The Hospital has employed independent actuaries to estimate the ultimate costs, if any, of the settlement of such claims. Accrued workers' compensation losses of \$3,025 and \$2,757 at September 30, 2011 and 2010, respectively, have been discounted at 6% and, in management's opinion, provide an adequate reserve for loss contingencies. A trustee held fund has been established as a reserve under the plan.

##### *Litigation*

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

# CONCORD HOSPITAL, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2011 and 2010  
(In thousands)

### 8. Commitments and Contingencies (Continued)

#### Health Insurance

The System has a self-funded health insurance plan. The plan is administered by an insurance company which assists in determining the current funding requirements of participants under the terms of the plan and the liability for claims and assessments that would be payable at any given point in time. The System recognizes revenue for services provided to employees of the System during the year. The System is insured above a stop-loss amount of \$440 on individual claims beginning January 1, 2010. Estimated unpaid claims, and those claims incurred but not reported at September 30, 2011 and 2010, have been recorded as a liability of \$6.826 and \$6.496, respectively, and are reflected in the accompanying consolidated balance sheet within accounts payable and accrued expenses.

#### Operating Leases

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

Year Ending September 30	
2012	\$ 5,375
2013	4,287
2014	4,039
2015	3,859
2016	3,722
Thereafter	<u>26,309</u>
	<u>\$47,591</u>

Rent expense was \$7,486 and \$7,477 for the years ended September 30, 2011 and 2010, respectively.

### 9. Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at September 30, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Health education and program services	\$ 10,892	\$ 11,566
Capital acquisitions	762	746
Indigent care	301	252
For periods after September 30 of each year	<u>137</u>	<u>128</u>
	<u>\$12,092</u>	<u>\$12,692</u>

# CONCORD HOSPITAL, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2011 and 2010  
(In thousands)

### 9. Temporarily and Permanently Restricted Net Assets (Continued)

Income on the following permanently restricted net asset funds is available for the following purposes at September 30

	<u>2011</u>	<u>2010</u>
Health education and program services	\$ 13,247	\$ 13,672
Capital acquisitions	606	606
Indigent care	1,810	1,810
For periods after September 30 of each year	<u>62</u>	<u>52</u>
	<u><u>\$15,725</u></u>	<u><u>\$16,140</u></u>

### 10. Net Patient Service Revenue

Net patient service revenue for the years ended September 30 is as follows

	<u>2011</u>	<u>2010</u>
Patient service charges		
Inpatient services	\$343,872	\$314,664
Outpatient services	388,564	361,308
Physician services	125,225	108,206
Less charitable services	<u>(38,666)</u>	<u>(33,243)</u>
	818,995	750,935
Less contractual allowances		
Medicare	247,283	217,941
Medicaid	58,177	53,160
Other	<u>143,076</u>	<u>133,541</u>
	<u>448,536</u>	<u>404,642</u>
Total Hospital net patient service revenue	370,459	346,293
Other entities	<u>29,744</u>	<u>32,313</u>
	<u><u>\$400,203</u></u>	<u><u>\$378,606</u></u>

# CONCORD HOSPITAL, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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(In thousands)

### **11. Functional Expenses**

The System provides general health care services to residents within its geographic location. Expenses related to providing these services are as follows for the years ended September 30:

	<u>2011</u>	<u>2010</u>
Health care services	\$317,890	\$301,941
General and administrative	58,340	58,952
Depreciation and amortization	22,777	23,613
Medicaid enhancement tax	21,542	17,375
Interest expense	<u>5,440</u>	<u>5,688</u>
	<u><u>\$425,989</u></u>	<u><u>\$407,569</u></u>

Fundraising related expenses were \$419 and \$390 for the years ended September 30, 2011 and 2010, respectively.

### **12. Charity Care and Community Benefits (Unaudited)**

The Hospital maintains records to identify and monitor the level of charity care it provides. The Hospital provides traditional charity care, as well as other forms of community benefits. The cost of charity care provided is as follows for the years ended September 30:

	<u>2011</u>	<u>2010</u>
Community health services	\$ 1,833	\$ 1,777
Health professions education	4,482	5,620
Subsidized health services	13,811	14,903
Research	230	369
Financial contributions	1,040	996
Community building activities	21	27
Community benefit operations	21	21
Charity care costs	<u>15,648</u>	<u>14,321</u>
	<u><u>\$37,086</u></u>	<u><u>\$38,034</u></u>

In addition, the Hospital incurred costs for services to Medicare and Medicaid patients in excess of the payment from these programs of \$58,587 and \$54,551 in 2011 and 2010, respectively.

## CONCORD HOSPITAL, INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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#### **13. Concentration of Credit Risk**

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

	<u>2011</u>	<u>2010</u>
Patients	22	24%
Medicare	31	28
Anthem Blue Cross	15	16
Cigna	4	5
Medicaid	8	10
Commercial	19	16
Workers' compensation	<u>1</u>	<u>1</u>
	<u>100%</u>	<u>100%</u>

#### **14. Volunteer Services (Unaudited)**

Total volunteer service hours received by the Hospital were approximately 43,038 in 2011 and 45,950 in 2010. The volunteers provide various nonspecialized services to the Hospital, none of which has been recognized as revenue or expense in the accompanying consolidated statements of operations.

#### **15. Fair Value Measurements**

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

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

Level 1 – Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Level 1 also includes U.S. Treasury and federal agency securities and federal agency mortgage-backed securities, which are traded by dealers or brokers in active markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

# CONCORD HOSPITAL, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2011 and 2010  
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### **15. Fair Value Measurements (Continued)**

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

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

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

The following presents the balances of assets measured at fair value on a recurring basis at September 30

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b><u>2011</u></b>				
Cash and cash equivalents	\$ 31,741	\$ 1,414	\$ –	\$ 33,155
Fixed income securities	40,180	–	–	40,180
Marketable equity and other securities	35,874	4,825	77,792	118,491
Inflation-protected securities	14,383	–	–	14,383
Guaranteed interest contract	–	11,281	–	11,281
Trust fund administered by others	–	–	9,314	9,314
	<b><u>\$122,178</u></b>	<b><u>\$17,520</u></b>	<b><u>\$87,106</u></b>	<b><u>\$226,804</u></b>
<b><u>2010</u></b>				
Cash and cash equivalents	\$ 23,626	\$ 5,414	\$ –	\$ 29,040
Fixed income securities	30,095	3,245	–	33,340
Marketable equity and other securities	57,764	8,368	60,718	126,850
Inflation-protected securities	7,677	–	–	7,677
Trust fund administered by others	–	–	9,847	9,847
	<b><u>\$119,162</u></b>	<b><u>\$17,027</u></b>	<b><u>\$70,565</u></b>	<b><u>\$206,754</u></b>

The System's Level 3 investments consist of so called alternative investments. The alternative investments consist primarily of interests in limited partnership funds that are not publicly traded. The fair value measurement is based on significant unobservable inputs

# CONCORD HOSPITAL, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2011 and 2010  
(In thousands)

### 15. Fair Value Measurements (Continued)

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

A reconciliation of the fair value measurements using significant unobservable inputs (Level 3) is as follows for 2011 and 2010:

	<u>Interest Rate Swap Agreement</u>	<u>Trust Funds Adminis- tered by Others</u>	<u>Assets Whose Use is Limited or Restricted</u>
Balance at September 30, 2009	\$(2,723)	\$ 9,538	\$43,345
Purchases sales, issuances and settlements (net)	2,393	–	–
Net realized and unrealized gains (losses)	<u>330</u>	<u>309</u>	<u>17,373</u>
Balance at September 30, 2010	–	9,847	60,718
Purchases, sales, issuances and settlements (net)	–	–	14,700
Net realized and unrealized gains (losses)	<u>–</u>	<u>(533)</u>	<u>2,374</u>
Balance at September 30, 2011	<u>\$ —</u>	<u>\$ 9,314</u>	<u>\$ 77,792</u>

In accordance with ASU 2009-12, *Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*, the table below sets forth additional disclosures for investment funds (other than mutual funds) valued based on net asset value to further understand the nature and risk of the investments by category.

	<u>Fair Value</u>	<u>Unfunded Commit- ments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
September 30, 2011				
Funds-of-funds	\$39,499	\$ —	Monthly	5 – 15 days
Funds-of-funds	28,721	—	Quarterly	45 – 65 days
Funds-of-funds	9,572	—	Annually	60 days
September 30, 2010				
Funds-of-funds	\$27,863	\$ —	Monthly	5 – 15 days
Funds-of-funds	24,624	—	Quarterly	45 – 65 days
Funds-of-funds	8,231	—	Annually	60 days

## CONCORD HOSPITAL, INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2011 and 2010  
(In thousands)

#### **15. Fair Value Measurements (Continued)**

Funds-of-funds include investments in hedge funds that invest in multi-strategy investments in a broad range of U.S., global, and international funds, and include some investments in distressed funds. The fair value of the investments in this category have been estimated using the net asset value per share of the funds.

Other financial instruments consist of accounts and pledges receivable, accounts payable and accrued expenses, estimated third-party pay or settlements, and long-term debt and notes payable. The fair value of all financial instruments other than long-term debt and notes payable approximates their relative book values as these financial instruments have short-term maturities or are recorded at amounts that approximate fair value. The fair value of the System's long-term debt and notes payable is estimated using discounted cash flow analyses, based on the System's current incremental borrowing rates for similar types of borrowing arrangements. The carrying value and fair value of the System's long-term debt and notes payable amounted to \$117,197 and \$129,394, respectively, at September 30, 2011, and \$103,556 and \$119,647, respectively, at September 30, 2010.

**INDEPENDENT AUDITORS' REPORT  
ON ADDITIONAL INFORMATION**

The Board of Trustees  
Concord Hospital, Inc

Our audit was made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The consolidating information identified in the contents is presented for purposes of additional analysis of the basic consolidated financial statements rather than to present the financial position and results of operations of the respective entities. The consolidating information has been subjected to the auditing procedures applied in the audits of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

*Baker Newman & Noyes*

Manchester, New Hampshire  
December 16, 2011

Limited Liability Company

**CONCORD HOSPITAL, INC. AND SUBSIDIARIES**

**CONSOLIDATING BALANCE SHEET**  
(With Consolidated Totals for September 30, 2010)

September 30, 2011

**ASSETS**  
(In thousands)

	2011							
	Concord Hospital (Obligated Group)	Capital Region Health Care Development Corporation	Capital Region Health Ventures Corporation	Capital Region Physicians Group Corporation	Concord Hospital/ Dartmouth Hitchcock- Concord	Elimina- tions	Consol- idated	2010 Consol- idated
<b>Current assets</b>								
Cash and cash equivalents	\$ 8,428	\$ —	\$ 2	\$ 18	\$ 1	\$ —	\$ 8,449	\$ 6,726
Investments	20,368	—	—	—	—	—	20,368	14,357
Accounts receivable, net	41,863	24	152	195	910	—	43,144	40,416
Due from affiliates	1,730	—	—	—	—	(1,378)	352	241
Supplies	773	—	59	—	—	—	832	581
Prepaid expenses	4,005	148	27	—	1	—	4,181	3,429
Current portion of pledges receivable	<u>126</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>126</u>	<u>105</u>
Total current assets	<u>77,293</u>	<u>172</u>	<u>240</u>	<u>213</u>	<u>912</u>	<u>(1,378)</u>	<u>77,452</u>	<u>65,855</u>
Pledges receivable, net of current portion	9	—	—	—	—	—	9	16
Assets whose use is limited or restricted								
Board designated	152,609	—	—	—	—	—	152,609	151,045
Funds held by trustee								
Workers' compensation reserves and self-insurance escrow	17,695	—	—	—	—	—	17,695	5,916
Donor-restricted	<u>27,683</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>27,683</u>	<u>28,710</u>
Total assets whose use is limited or restricted	<u>197,987</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>197,987</u>	<u>185,671</u>
Other noncurrent assets								
Due from affiliates, net of current portion	18,622	—	2,537	—	—	(17,589)	3,570	3,324
Bond issuance costs and other assets	<u>4,621</u>	<u>—</u>	<u>2,962</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>7,583</u>	<u>6,608</u>
Total other noncurrent assets	<u>23,243</u>	<u>—</u>	<u>5,499</u>	<u>—</u>	<u>—</u>	<u>(17,589)</u>	<u>11,153</u>	<u>9,932</u>
Property and equipment								
Land and land improvements	4,969	273	—	—	—	—	5,242	5,367
Buildings	123,467	35,950	26	—	—	—	159,443	155,092
Equipment	188,119	1,875	221	176	600	—	190,991	179,476
Construction in progress	<u>4,499</u>	<u>1</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>4,500</u>	<u>4,575</u>
Less accumulated depreciation	<u>(182,070)</u>	<u>(18,947)</u>	<u>(132)</u>	<u>(159)</u>	<u>(598)</u>	<u>—</u>	<u>(201,906)</u>	<u>(187,959)</u>
Net property and equipment	<u>138,984</u>	<u>19,152</u>	<u>115</u>	<u>17</u>	<u>2</u>	<u>—</u>	<u>158,270</u>	<u>156,551</u>
	<u><u>\$ 437,516</u></u>	<u><u>\$ 19,324</u></u>	<u><u>\$ 5,854</u></u>	<u><u>\$ 230</u></u>	<u><u>\$ 914</u></u>	<u><u>\$ (18,967)</u></u>	<u><u>\$ 444,871</u></u>	<u><u>\$ 418,025</u></u>

**LIABILITIES AND NET ASSETS**  
(In thousands)

	2011						2010	
	Concord Hospital (Obligated Group)	Capital Region Health Care Development Corporation	Capital Region Health Ventures Corporation	Capital Region Physicians Group Corporation	Concord Hospital/ Dartmouth Hitchcock- Concord	Elimi- nations	Consol- idated	Consol- idated
Current liabilities								
Short-term notes payable	\$    –	\$    –	\$    –	\$    –	\$   944	\$    –	\$   944	\$ 1,301
Accounts payable and accrued expenses	22,594	68	14	105	–	–	22,781	19,937
Accrued compensation and related expenses	20,352	–	–	97	–	–	20,449	18,167
Due to affiliates	–	1,378	–	–	–	(1,378)	–	–
Accrual for estimated third-party pay or settlements	8,511	–	–	–	–	–	8,511	3,308
Current portion of long-term debt	9,755	–	–	–	–	–	9,755	7,030
Total current liabilities	61,212	1,446	14	202	944	(1,378)	62,440	49,743
Long-term debt, net of current portion	107,442	17,589	–	–	–	(17,589)	107,442	96,526
Accrued pension and other long-term liabilities	68,761	–	–	–	–	–	68,761	56,023
Total liabilities	237,415	19,035	14	202	944	(18,967)	238,643	202,292
Net assets								
Unrestricted	172,284	289	5,840	28	(30)	–	178,411	186,901
Temporarily restricted	12,092	–	–	–	–	–	12,092	12,692
Permanently restricted	15,725	–	–	–	–	–	15,725	16,140
Total net assets	200,101	289	5,840	28	(30)	–	206,228	215,733
	<u>\$ 437,516</u>	<u>\$ 19,324</u>	<u>\$ 5,854</u>	<u>\$ 230</u>	<u>\$ 914</u>	<u>\$ (18,967)</u>	<u>\$ 444,871</u>	<u>\$ 418,025</u>

**CONCORD HOSPITAL, INC. AND SUBSIDIARIES**

**CONSOLIDATING STATEMENT OF OPERATIONS**  
(With Consolidated Totals for September 30, 2010)

Year Ended September 30, 2011

(In thousands)

	2011						2010	
	Concord Hospital (Obligated Group)	Capital Region Health Care Development Corporation	Capital Region Health Ventures Corporation	Capital Region Physicians Group Corporation	Concord Hospital/ Dartmouth Hitchcock- Concord	Elimi- nations	Consol- idated	Consol- idated
Unrestricted revenue and other support								
Net patient service revenue	\$ 370,459	\$ —	\$ 1,077	\$ 2,422	\$ 26,245	\$ —	\$ 400,203	\$ 378,606
Other revenue	12,970	4,762	7,144	123	—	(4,598)	20,401	19,701
Disproportionate share revenue	20,537	—	—	—	—	—	20,537	17,375
Net assets released from restrictions for operations	953	—	—	—	—	—	953	841
Total unrestricted revenue and other support	404,919	4,762	8,221	2,545	26,245	(4,598)	442,094	416,523
Expenses								
Salaries and wages	163,439	310	753	2,537	9	—	167,048	162,738
Employee benefits	42,574	88	186	421	2	—	43,271	41,825
Supplies and other	70,342	1,694	559	538	2,221	(2,970)	72,384	70,054
Purchased services	28,386	206	77	102	28,750	(560)	56,961	53,801
Professional fees	12,186	—	207	—	—	—	12,393	12,398
Depreciation and amortization	21,281	1,476	18	1	1	—	22,777	23,613
Provision for doubtful accounts	23,927	—	6	240	—	—	24,173	20,077
Medicaid enhancement tax	21,542	—	—	—	—	—	21,542	17,375
Interest expense	5,390	1,068	—	—	50	(1,068)	5,440	5,688
Total expenses	389,067	4,842	1,806	3,839	31,033	(4,598)	425,989	407,569
Income (loss) from operations	15,852	(80)	6,415	(1,294)	(4,788)	—	16,105	8,954
Nonoperating income								
Unrestricted gifts and bequests	196	—	—	—	—	—	196	283
Investment income and other	10,938	—	—	—	—	—	10,938	5,696
Total nonoperating income	11,134	—	—	—	—	—	11,134	5,979
Excess (deficiency) of revenues and gains over expenses	\$ 26,986	\$ (80)	\$ 6,415	\$ (1,294)	\$ (4,788)	\$ —	\$ 27,239	\$ 14,933