See a Social Security Number? Say Something!
Report Privacy Problems to https://public.resource.org/privacy
Or call the IRS Identity Theft Hotline at 1-800-908-4490

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493136009022

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No 1545-0047

2010

Open to Public Inspection

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

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

C Name of organization
EXETER HOSPITAL INC

Doing Business As

Number and street (or P O box if mail is not delivered to street address) 5 ALUMNI DRIVE | Room/suite

City or town, state or country, and ZIP + 4
EXETER, NH 03833

D Employer identification number
22-2674014

E Telephone number
(603) 580-6695

G Gross receipts $ 207,228,049

F Name and address of principal officer
KEVIN CALLAHAN
5 ALUMNI DRIVE
EXETER, NH 03833

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

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

H(c) Group exemption number ▶

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

J Website: ▶ WWW EXETERHOSPITAL COM

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶ | **L** Year of formation 1907 | **M** State of legal domicile NH

Part I Summary

1 Briefly describe the organization's mission or most significant activities
THE MISSION OF EXETER HOSPITAL IS TO IMPROVE THE HEALTH OF THE COMMUNITY THIS MISSION IS PRINCIPALLY ACCOMPLISHED THROUGH THE PROVISION OF HEALTH SERVICES AND INFORMATION TO THE COMMUNITY EXETER HOSPITAL WORKS TO ACCOMPLISH THIS MISSION THROUGH THE PROVISION OF DIAGNOSTIC TESTING, THERAPEUTIC INPATIENT AND OUTPATIENT SERVICES, COMMUNITY EDUCATION AND OUTREACH, AND ACUTE EMERGENCY, INPATIENT AND SURGICAL SERVICES AS WELL AS OBSTETRICAL SERVICES

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

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	11
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	8
5	Total number of individuals employed in calendar year 2010 (Part V, line 2a)	**5**	1,667
6	Total number of volunteers (estimate if necessary)	**6**	105
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	0
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	0

		Prior Year	Current Year
Revenue			
8	Contributions and grants (Part VIII, line 1h)	169,922	156,691
9	Program service revenue (Part VIII, line 2g)	217,655,856	200,448,522
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	-1,252,617	4,941,482
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	1,666,761	1,643,500
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	218,239,922	207,190,195
Expenses			
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	1,352,334	1,270,200
14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	91,239,029	91,114,907
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶14,261		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	106,358,653	103,005,305
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	198,950,016	195,390,412
19	Revenue less expenses Subtract line 18 from line 12	19,289,906	11,799,783
Net Assets or Fund Balances		**Beginning of Current Year**	**End of Year**
20	Total assets (Part X, line 16)	281,810,222	280,288,030
21	Total liabilities (Part X, line 26)	105,165,067	105,318,138
22	Net assets or fund balances Subtract line 21 from line 20	176,645,155	174,969,892

Part II Signature Block

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

Sign Here

****** | 2012-05-09
Signature of officer | Date

KEVIN J O'LEARY TREASURER
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check if self-employed ▶ ☐	PTIN
MICHAEL A BARBARITA CPA	MICHAEL A BARBARITA CPA			

Firm's name ▶ WILLIAM STEELE & ASSOCIATES PC | Firm's EIN ▶

Firm's address ▶ 40 STARK STREET
MANCHESTER, NH 03101 | Phone no ▶ (603) 622-8881

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission

THE MISSION OF EXETER HOSPITAL IS TO IMPROVE THE HEALTH OF THE COMMUNITY THIS MISSION IS PRINCIPALLY ACCOMPLISHED THROUGH THE PROVISION OF HEALTH SERVICES AND INFORMATION TO THE COMMUNITY EXETER HOSPITAL WORKS TO ACCOMPLISH THIS MISSION THROUGH THE PROVISION OF DIAGNOSTIC TESTING, THERAPEUTIC INPATIENT AND OUTPATIENT SERVICES, COMMUNITY EDUCATION AND OUTREACH, AND ACUTE EMERGENCY, INPATIENT AND SURGICAL SERVICES AS WELL AS OBSTETRICAL SERVICES

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . . ☐ Yes ☑ No

If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . . ☐ Yes ☑ No

If "Yes," describe these changes on Schedule O

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code) (Expenses $ 170,747,981 including grants of $) (Revenue $ 202,104,534)

THE MISSION OF EXETER HOSPITAL IS TO IMPROVE THE HEALTH OF THE COMMUNITY THIS MISSION IS PRINCIPALLY ACCOMPLISHED THROUGH THE PROVISION OF HEALTH SERVICES AND INFORMATION TO THE COMMUNITY EXETER HOSPITAL WORKS TO ACCOMPLISH THIS MISSION THROUGH THE PROVISION OF DIAGNOSTIC TESTING, THERAPEUTIC INPATIENT AND OUTPATIENT SERVICES, COMMUNITY EDUCATION AND OUTREACH, AND ACUTE EMERGENCY, INPATIENT AND SURGICAL SERVICES AS WELL AS OBSTETRICAL SERVICES IN FISCAL YEAR 2011 EXETER HOSPITAL SERVED THE COMMUNITY BY PROVIDING CARE TO 5,781 ACUTE INPATIENTS, 140,636 OUTPATIENT VISITS, 34,574 EMERGENCY ROOM VISITS AND 708 BIRTHS IN 2011 EXETER HOSPITAL SUPPORTED ITS MISSION BY SUPPORTING $18,619,893 IN COMMUNITY OUTREACH, BENEFITS AND FINANCIAL SUPPORT TO THE COMMUNITY EXCLUDING $17,406,591 IN UNCOVERED MEDICARE EXPENSES EXETER HOSPITAL SUPPORTS HEALTH CARE ACCESS IN ITS SERVICE AREA BY OFFERING A ROBUST FINANCIAL ASSISTANCE PROGRAM THAT COVERS THE COST OF UP TO 100% OF CARE PROVIDED TO AREA RESIDENTS BASED ON INCOME AND FAMILY SIZE IN 2011, THE CHARITY CARE PROGRAM HELPED PEOPLE ACCESS THE HEALTH CARE SYSTEM BY PROVIDING $5 0 MILLION DOLLARS OF FINANCIAL ASSISTANCE IN ADDITION WE PROVIDE SUPPORT TO VITAL COMMUNITY PROGRAMS LIKE OUR HEALTHREACH DIABETES PROGRAM, OUR PARAMEDICINE PROGRAM AND FOR PROVIDING ACCESS TO CONTRACTED MENTAL HEALTH PROFESSIONALS IN OUR EMERGENCY ROOM WE ALSO SUPPORTED ACCESS TO THE HEALTH SYSTEM AND THE DEVELOPMENT OF HEALTHY LIFE STYLES THROUGH OUR COMMUNITY EDUCATION PROGRAMS AND OUR FINANCIAL SUPPORT OF IMPORTANT HEALTHCARE RELATED COMMUNITY BASED NOT FOR PROFITS SUCH AS FAMILIES FIRST, SEACARE AND LAMPREY HEALTHCARE

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

EXETER HOSPITAL'S ACUTE CARE PROGRAM PROVIDES ACUTE INPATIENT AND OUTPATIENT OBSERVATION LEVEL CARE IN OUR 99 LICENSED INPATIENT BEDS OUR INPATIENT SERVICES TREAT EMERGENT, ACUTE, ELECTIVE SURGICAL AND PALLIATIVE CARE PATIENTS APPROXIMATELY 76% OF OUR ADMISSIONS COME FROM THE EMERGENCY ROOM WE OFFER INPATIENT ACUTE SERVICES FOR MEDICAL AND SURGICAL DIAGNOSES FOR ADULTS AS WELL AS PEDIATRIC AND OBSTETRICAL INPATIENT SERVICES EXETER HOSPITAL IS FULLY ACCREDITED BY THE JOINT COMMISSION FOR THE ACCREDITATION OF HEALTH CARE ORGANIZATIONS AS WELL AS MANY OTHER SERVICE LEVEL SPECIFIC NATIONAL ACCREDITATIONS OUR PRACTICE MODEL IS GUIDED BY A SERIES OF COLLABORATIVE BEST PRACTICE COMMITTEES THAT ENGAGE NURSES AND PHYSICIANS IN THE DEVELOPMENT OF THE BEST POSSIBLE EVIDENCE BASED CARE PROTOCOLS EXETER HOSPITAL SUPPORTS THE SAFETY OF OUR PATIENTS AND THE EFFICIENCY OF THE CARE PROVIDED THROUGH THE DEPLOYMENT OF A 24/7 HOSPITALIST PROGRAM THAT MANAGES THE MAJORITY OF THE MEDICAL NEEDS OF OUR PATIENTS DURING THEIR ADMISSION IN OUR 10 BED ICU WE ALSO USE AN INTENSIVEST SERVICE TO ENSURE THAT OUR MOST ACUTE PATIENTS RECEIVE THE MOST HIGHLY COORDINATED CARE POSSIBLE, RESULTING IN SIGNIFICANTLY LOWER THAN EXPECTED INFECTION RATES, ICU READMISSION RATES AND SHORTER ICU STAYS FOR OUR PATIENTS AT THE END OF THEIR LIVES WE ENSURE THEIR SAFETY AND COMFORT THROUGH A PHYSICIAN LEAD, HIGHLY COORDINATED PALLIATIVE CARE PROGRAM

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

EXETER HOSPITAL'S SURGICAL PROGRAM PROVIDES A FULL RANGE OF BOTH INPATIENT AND OUTPATIENT SURGICAL SERVICES FOR PATIENTS OF ALL AGES FROM ACROSS OUR SERVICE AREA AVAILABLE SURGICAL SPECIALTIES INCLUDE, ORTHOPEDICS, VASCULAR, GENERAL, PLASTICS, PODIATRIC, ONCOLOGY, COLORECTAL, GYNECOLOGICAL AND ENT SURGERY RECENTLY EXETER HOSPITAL RECEIVED RECOGNITION FOR ITS JOINT REPLACEMENT PROGRAM IN ORTHOPEDICS WITH THE BLUE DISTINCTION AWARD FOR THE QUALITY AND EFFECTIVENESS OF OUR PROGRAM ANESTHESIOLOGY COVERAGE IS PROVIDED BY AN INDEPENDENT GROUP OF ANESTHESIOLOGISTS WHO HAVE WORKED WITH OUR SURGEONS AND NURSES FOR YEARS

4d Other program services (Describe in Schedule O) **See also Additional Data for Description**

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

4e **Total program service expenses** ▶ $ 170,747,981

Part IV Checklist of Required Schedules

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

Part IV Checklist of Required Schedules *(continued)*

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

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable . .	1a	147		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			1c	Yes	
2a	Enter the number of employees reported on Form W-3, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	2a	1,667		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?			2b	Yes	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)					
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?			3a		No
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*			3b		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?			4a		No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts					
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .			5a		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			5b		No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?			5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?			6a		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			6b		
7	**Organizations that may receive deductible contributions under section 170(c).**					
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?			7a		No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?			7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			7c		No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d				
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			7e		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .			7f		No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			7g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			7h		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			8		
9	**Sponsoring organizations maintaining donor advised funds.**					
a	Did the organization make any taxable distributions under section 4966?			9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?			9b		
10	**Section 501(c)(7) organizations.** Enter					
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	10a				
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b				
11	**Section 501(c)(12) organizations.** Enter					
a	Gross income from members or shareholders	11a				
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b				
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?			12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b				
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**					
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O			13a		
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b				
c	Enter the amount of reserves on hand	13c				
14a	Did the organization receive any payments for indoor tanning services during the tax year?			14a		No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .			14b		

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

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

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a	11		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	8		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		2		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		3		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		4		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		5		No
6	Does the organization have members or stockholders?		6	Yes	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		7a	Yes	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		7b	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?		8a	Yes	
b	Each committee with authority to act on behalf of the governing body?		8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		9		No

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

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

Section C. Disclosure

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

KEVIN J O'LEARY
5 ALUMNI DRIVE
EXETER, NH 03833
(603) 580-6695

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) KEVIN J CALLAHAN CEO/TRUSTEE	2 00	X		X				0	763,615	196,848
(2) GLENN MCKENZIE CHAIRMAN	1 00	X		X				0	0	0
(3) ROBERT A EBERLE VICE CHAIRMAN	1 00	X		X				0	0	0
(4) LARRY S PRESSMAN MD TRUSTEE	1 00	X						0	98,644	44,767
(5) KATIE DELAHAYE PAINE TRUSTEE	1 00	X						0	0	0
(6) ROSS GITTELL TRUSTEE	1 00	X						0	0	0
(7) JOSEPH ARMY TRUSTEE	1 00	X						0	0	0
(8) WILLIAM SCHLEYER TRUSTEE	1 00	X						0	0	0
(9) J BONNIE NEWMAN TRUSTEE	1 00	X						0	0	0
(10) MAJ GEN JOSEPH SIMEONE TRUSTEE	1 00	X						0	0	0
(11) NANCY BRAESE DO EX-OFFICIO	1 00	X						0	148,560	26,914
(12) KEVIN J O'LEARY CFO/TREASURER	2 00			X				0	407,282	100,431
(13) CONSTANCE D SPRAUER SECRETARY	2 00			X				0	294,345	32,331
(14) ANNE MARIE BULARZIK VP-ACUTE CARE	40 00				X			301,887	0	15,951
(15) BRIAN CAMPBELL VP-AMBUL CARE	40 00				X			257,504	0	36,537
(16) JONATHAN A JACKSON PHYSICIST	40 00					X		208,766	0	30,149

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(17) JOAN RACZY PHARMACY OPERATIONS	40 00					X		140,559	0	34,831
(18) JANE PETERSON DIRECTOR	40 00					X		183,593	0	12,879
(19) DEANNA KING DIRECTOR	40 00					X		149,963	0	32,954
(20) JUDY RINES DIRECTOR	40 00					X		151,901	0	30,793
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								1,394,173	1,712,446	595,385

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 ▶ 51

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
EXETER HEALTH RESOURCES 5 ALUMNI DRIVE EXETER, NH 03833	ADMINISTRATIVE MANAGEMENT SERVICES	5,262,366
CORE PHYSICIAN SERVICES LLC 5 ALUMNI DRIVE EXETER, NH 03833	PHYSICIAN SERVICES	3,644,847
HARVEY CONSTRUCTION 10 HARVEY RD BEDFORD, NH 03110	BUILDING CONTRACTOR	2,423,495
GE HEALTH CARE INC PO BOX 640200 PITTSBURGH, PA 15426	EQUIPMENT MAINTENANCE	1,647,148
NH ONCOLOGY HEMATOLOGY PA 200 TECHNOLOGY DRIVE CENTRAL PARK I HOOKSETT, NH 03106	PHYSICIAN SERVICES	1,443,337

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 in compensation from the organization ▶ 50

Part VIII Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a Federated campaigns . . 1a					
	b Membership dues 1b					
	c Fundraising events 1c					
	d Related organizations . . . 1d					
	e Government grants (contributions) 1e					
	f All other contributions, gifts, grants, and similar amounts not included above 1f	156,691				
	g Noncash contributions included in lines 1a-1f $					
	h **Total.** Add lines 1a-1f . . . . . ▶		156,691			
Program Service Revenue		Business Code				
	2a NET PATIENT SVCS	621300	190,927,133	190,927,133		
	b DISPROPORTIONATE SHARE	621300	7,417,253	7,417,253		
	c ARRA FUNDS	621300	1,500,000	1,500,000		
	d OTHER PROGRAM REVENUE	621300	604,136	604,136		
	e					
	f All other program service revenue					
	g **Total.** Add lines 2a–2f . . . . . ▶		200,448,522			
	3 Investment income (including dividends, interest and other similar amounts) . . . . . ▶		1,850,487			1,850,487
	4 Income from investment of tax-exempt bond proceeds . . ▶					
	5 Royalties . . . . . ▶					
		(i) Real	(ii) Personal			
	6a Gross Rents	21,434				
	b Less rental expenses	37,854				
	c Rental income or (loss)	-16,420				
	d Net rental income or (loss) . . . . . ▶		-16,420	-16,420		
		(i) Securities	(ii) Other			
	7a Gross amount from sales of assets other than inventory	3,078,483	12,512			
	b Less cost or other basis and sales expenses					
	c Gain or (loss)	3,078,483	12,512			
	d Net gain or (loss) . . . . . ▶		3,090,995	12,512		3,078,483
Other Revenue	8a Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 . . . a					
	b Less direct expenses . . . b					
	c Net income or (loss) from fundraising events . . ▶					
	9a Gross income from gaming activities See Part IV, line 19 . a					
	b Less direct expenses . . . . . b					
	c Net income or (loss) from gaming activities . . ▶					
	10a Gross sales of inventory, less returns and allowances . a					
	b Less cost of goods sold . . b					
	c Net income or (loss) from sales of inventory . . ▶					
	Miscellaneous Revenue	Business Code				
	11a CAFETERIA INCOME	621300	1,354,489	1,354,489		
	b MISCELLANEOUS	621300	185,127	185,127		
	c GIFT SHOP INCOME	621300	120,304	120,304		
	d All other revenue					
	e **Total.** Add lines 11a–11d . . . . . ▶		1,659,920			
	12 **Total revenue.** See Instructions . . . ▶		207,190,195	202,104,534	0	4,928,970

Part IX Statement of Functional Expenses

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U S See Part IV, line 21	1,270,200	1,270,200		
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				
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	806,593	701,736	104,857	
7 Other salaries and wages	65,333,248	56,839,926	8,493,322	
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	3,870,062	3,366,954	503,108	
9 Other employee benefits	16,321,316	14,199,545	2,121,771	
10 Payroll taxes	4,783,688	4,161,809	621,879	
a Fees for services (non-employees) Management				
b Legal	456,551		456,551	
c Accounting	60,500		60,500	
d Lobbying	88,402		88,402	
e Professional fundraising services *See Part IV, line 17*				
f Investment management fees				
g Other				
12 Advertising and promotion	326,530	284,081	42,449	
13 Office expenses	1,056,642	919,279	137,363	
14 Information technology	536,319	466,598	69,721	
15 Royalties				
16 Occupancy	4,962,110	4,317,036	645,074	
17 Travel	252,607	219,768	32,839	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	2,029,778	1,765,907	263,871	
21 Payments to affiliates	3,530,735	3,071,739	458,996	
22 Depreciation, depletion, and amortization	12,006,628	10,445,766	1,560,862	
23 Insurance	1,861,577	1,619,572	242,005	
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 SUPPLIES	15,129,745	13,162,878	1,966,867	
b BAD DEBT EXPENSE	12,161,820	12,161,820		
c MEDICAID ENHANCEMENT TA	10,483,866	10,483,866		
d DRUGS	9,492,158	9,492,158		
e SERVICE CONTRACTS	6,313,828	5,493,030	820,798	
f All other expenses	22,255,509	16,304,313	5,936,935	14,261
25 **Total functional expenses.** Add lines 1 through 24f	195,390,412	170,747,981	24,628,170	14,261
26 **Joint costs.** Check here ▶ ☐ if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		39,926,892	1	56,059,709
	2	Savings and temporary cash investments			2	
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		18,962,118	4	18,087,321
	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		2,567,476	8	2,683,803
	9	Prepaid expenses and deferred charges		1,199,801	9	2,877,278
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 141,036,669			
	b	Less accumulated depreciation	10b 63,770,473	81,873,178	10c	77,266,196
	11	Investments—publicly traded securities			11	
	12	Investments—other securities See Part IV, line 11		133,505,345	12	119,728,573
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		3,775,412	15	3,585,150
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		281,810,222	16	280,288,030
Liabilities	17	Accounts payable and accrued expenses		14,457,684	17	18,552,706
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		62,936,316	20	61,163,801
	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		27,771,067	25	25,601,631
	26	**Total liabilities.** Add lines 17 through 25		105,165,067	26	105,318,138
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		159,581,890	27	157,968,770
	28	Temporarily restricted net assets		293,944	28	231,801
	29	Permanently restricted net assets		16,769,321	29	16,769,321
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		176,645,155	33	174,969,892
	34	Total liabilities and net assets/fund balances		281,810,222	34	280,288,030

Part XI Reconcilliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12) . . .	1	207,190,195
2	Total expenses (must equal Part IX, column (A), line 25)	2	195,390,412
3	Revenue less expenses Subtract line 2 from line 1	3	11,799,783
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . .	4	176,645,155
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-13,475,046
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	174,969,892

Part XII Financial Statements and Reporting

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

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

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493136009022

SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
EXETER HOSPITAL INC

Employer identification number
22-2674014

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

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

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

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

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

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

_____

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section A. Public Support

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

Section B. Total Support

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

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

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

Section C. Computation of Public Support Percentage

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

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

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

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

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

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

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

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

Section A. Public Support

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

Section B. Total Support

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

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

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

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

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

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

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

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

Additional Data

Software ID:
Software Version:
EIN: 22-2674014
Name: EXETER HOSPITAL INC

Form 990, Part III - 4 Program Service Accomplishments (See the Instructions)

4d. Other program services

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

THE CENTER FOR CANCER CARE AT EXETER HOSPITAL PROVIDES CANCER PATIENTS AND THEIR FAMILIES WITH COMPREHENSIVE IN-PATIENT AND OUTPATIENT SERVICES ACCREDITED BY THE AMERICAN COLLEGE OF SURGEON'S COMMISSION ON CANCER WITH COMMENDATION, THE CENTER PROVIDES AREA RESIDENTS WITH A LEADING, COMPREHENSIVE APPROACH TO CANCER TREATMENT THE CENTER OFFERS MEDICAL ONCOLOGY, RADIATION ONCOLOGY, SURGERY, CLINICAL TRIALS, MULTIDISCIPLINARY CLINICS AND INTEGRATIVE ONCOLOGY SERVICES THE CENTER IS PROUD TO HAVE A RELATIONSHIP WITH NEW HAMPSHIRE ONCOLOGY-HEMATOLOGY PROFESSIONAL ASSOCIATION (NHOH PA), AN AFFILIATE OF DANA FARBER CANCER INSTITUTE FOR THE PROVISION OF MEDICAL ONCOLOGY SERVICES TO PATIENTS THE MEDICAL ONCOLOGY SERVICE SUPPORTS A 13 CHAIR INFUSION CENTER OUR UNIQUE CLINICAL COLLABORATION WITH THE MASSACHUSETTS GENERAL HOSPITAL CANCER CENTER BRINGS RADIATION ONCOLOGISTS FROM THE WORLD'S LEADING ACADEMIC MEDICAL CENTER TO EXETER HOSPITAL'S CENTER FOR CANCER CARE THIS AFFILIATION ALLOWS EXETER HOSPITAL'S CENTER FOR CANCER CARE TO OFFER STATE-OF-THE-ART RADIATION THERAPY SERVICES TO PATIENTS INCLUDING ELECTRONIC BRACHYTHERAPY, PARTIAL BREAST IRRADIATION, INTENSITY MODULATED RADIATION THERAPY, CT SIMULATION AND IMAGE GUIDED RADIATION THERAPY THE CENTER'S AFFILIATED SURGEONS WORK COLLABORATIVELY WITH AFFILIATED PATHOLOGISTS, THE MEDICAL ONCOLOGISTS AND WITH THE RADIATION ONCOLOGISTS TO DEVELOP THE MOST COMPREHENSIVE TREATMENT PLANS FOR OUR PATIENTS EXETER HOSPITAL'S CARDIOLOGY DEPARTMENT OFFERS ACUTE CARDIAC CARE, HEART CATHETERIZATION, ANGIOPLASTY, CARDIOVERSION, AND IMPLANTATION OF CARDIOVERTER DEFIBRILLATORS, PERMANENT PACEMAKER PLACEMENT AND A THREE PHASE CARDIAC REHABILITATION PROGRAM EXETER HOSPITAL'S AFFILIATED FELLOWSHIP-TRAINED INTERVENTIONAL CARDIOLOGISTS AND ITS CARDIAC TEAM HAVE RECEIVED NATIONAL RECOGNITION FOR THEIR "DOOR TO BALLOON" TIMES AND ONGOING SUCCESSFUL IMPLEMENTATION OF COMMUNITY BASED EMERGENCY ANGIOPLASTY AND INTERVENTIONAL CARDIOLOGY PROCEDURES

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493136009022

SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

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

OMB No 1545-0047

2010

Open to Public Inspection

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

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

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

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

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

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

Name of the organization	Employer identification number
EXETER HOSPITAL INC	22-2674014

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

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

2 Political expenditures ▶ $ _____

3 Volunteer hours _____

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

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

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

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

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV

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

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

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

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

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

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

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

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

A Check ☐ if the filing organization belongs to an affiliated group
B Check ☐ if the filing organization checked box A and "limited control" provisions apply

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

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

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

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

Lobbying Expenditures During 4-Year Averaging Period

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

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

		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?	Yes		
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		63,722
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities? If "Yes," describe in Part IV	Yes		24,680
j	Total lines 1c through 1i			88,402
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

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

Identifier	Return Reference	Explanation
EXPLANATION OF OTHER LOBBYING ACTIVITIES	PART II-B, LINE 1I	A PORTION OF MEMBERSHIP DUES AND MANAGEMENT FEES ARE CONSIDERED LOBBYING EXPENSES

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493136009022

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
EXETER HOSPITAL INC

Employer identification number
22-2674014

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

	(a) Current Year	(b) Prior Year	(c) Two Years Back	(d) Three Years Back	(e) Four Years Back
1a Beginning of year balance	17,063,265	17,030,198	16,940,024		
b Contributions	49,281	37,433	213,038		
c Investment earnings or losses					
d Grants or scholarships					
e Other expenditures for facilities and programs	-111,424	4,366	122,864		
f Administrative expenses					
g End of year balance	17,001,122	17,063,265	17,030,198		

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

- a Board designated or quasi-endowment ▶ 1 360 %
- b Permanent endowment ▶ 98 640 %
- c Term endowment ▶

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

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

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

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

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		102,400		102,400
b Buildings		74,385,480	26,343,559	48,041,921
c Leasehold improvements		432,103	299,043	133,060
d Equipment		61,384,409	35,656,298	25,728,111
e Other		4,732,277	1,471,573	3,260,704
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				77,266,196

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

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A) CASH & SHORT-TERM INVESTMENTS	9,560,012	F
(B) FIXED INCOME SECURITIES	35,349,200	F
(C) MARKETABLE EQUITY SECURITIES	40,650,874	F
(D) LIMITED PARTNERSHIPS	33,593,566	F
(E) OTHER	574,921	C
Total. *(Column (b) should equal Form 990, Part X, col (B) line 12)* ▶	119,728,573	

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

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

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

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

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

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	
DUE TO THIRD PARTY PAYORS	3,705,726
ACCRUED INTEREST	1,051,984
ACCRUED PENSION LIABILITY	8,523,842
SWAP VALUATION LIABILITY	12,267,751
DEFERRED COMPENSATION	52,328
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	25,601,631

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

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

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	207,190,195
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	195,390,412
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	11,799,783
4	Net unrealized gains (losses) on investments	4	-4,535,001
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	-8,940,045
9	Total adjustments (net) Add lines 4 - 8	9	-13,475,046
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	-1,675,263

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	207,211,287
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	21,092		
e	Add lines **2a** through **2d**			2e	21,092
3	Subtract line **2e** from line **1**			3	207,190,195
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	207,190,195

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

1	Total expenses and losses per audited financial statements			1	195,411,237
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	20,825		
e	Add lines **2a** through **2d**			2e	20,825
3	Subtract line **2e** from line **1**			3	195,390,412
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	195,390,412

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 GOAL OF THE PERMANENT ENDOWMENT FUND IS TO PROVIDE A SOURCE OF FINANCIAL SUPPORT TO EXETER'S PATIENT CARE ACTIVITIES THESE FUNDS ARE INVESTED IN A PRUDENT MANNER WITH REGARD TO PRESERVING PRINCIPAL WHILE PROVIDING REASONABLE RETURNS THESE RETURNS ARE THEN USED FOR CAPITAL EXPENDITURES, OTHER MAJOR PROGRAM NEEDS, AND TO GENERALLY INCREASE THE FINANCIAL STRENGTH OF THE ORGANIZATION THE QUASI-ENDOWMENTS ARE FUNDS WHICH HAVE BEEN DONATED TO THE ORGANIZATION FOR A PURPOSE SPECIFIED BY THE DONOR THESE FUNDS ARE HELD UNTIL USED FOR THE PURPOSE INTENDED BY THE DONOR
PART XI, LINE 8 - OTHER ADJUSTMENTS		TRANSFERS BETWEEN RELATED ENTITIES -15,063,668 ADJ TO MIN PENSION LIABILITY 6,235,047 ASSETS RELEASED -111,424
PART XII, LINE 2D - OTHER ADJUSTMENTS		RECLASS EXPENSES 20,825 OTHER 267
PART XIII, LINE 2D - OTHER ADJUSTMENTS		EXPENSE RECLASS 20,825

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493136009022

SCHEDULE G (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
EXETER HOSPITAL INC

Employer identification number
22-2674014

Part I Fundraising Activities. Complete if the organization answered "Yes" to Form 990, Part IV, line 17.

1 Indicate whether the organization raised funds through any of the following activities Check all that apply

- **a** ☑ Mail solicitations
- **b** ☐ Internet and e-mail solicitations
- **c** ☐ Phone solicitations
- **d** ☑ In-person solicitations
- **e** ☑ Solicitation of non-government grants
- **f** ☑ Solicitation of government grants
- **g** ☐ Special fundraising events

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? ☐ **Yes** ☐ **No**

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least $5,000 by the organization Form 990-EZ filers are not required to complete this table

(i) Name and address of individual or entity (fundraiser)	**(ii)** Activity	**(iii)** Did fundraiser have custody or control of contributions? Yes	No	**(iv)** Gross receipts from activity	**(v)** Amount paid to (or retained by) fundraiser listed in col **(i)**	**(vi)** Amount paid to (or retained by) organization
Total . . . . . ▶						

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

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

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

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

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

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

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

b If "No," Explain _____

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

b If "Yes," Explain _____

11 Does the organization operate gaming activities with nonmembers? . . . . . ☐ Yes ☐ No

12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? . . . . . ☐ Yes ☐ No

13 Indicate the percentage of gaming activity operated in

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

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

Name ▶ ----------

Address ▶ ----------

15a Does the organization have a contract with a third party from whom the organization receives gaming revenue? . . . . . ☐ Yes ☐ No

b If "Yes," enter the amount of gaming revenue received by the organization ▶ $ _____ and the amount of gaming revenue retained by the third party ▶ $ _____

c If "Yes," enter name and address

Name ▶ ----------

Address ▶ ----------

16 Gaming manager information

Name ▶ ----------

Gaming manager compensation ▶ $ ----------

Description of services provided ▶ ----------

☐ Director/officer ☐ Employee ☐ Independent contractor

17 Mandatory distributions

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? . . . . . ☐ Yes ☐ No

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

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

Identifier	ReturnReference	Explanation

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493136009022

SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
EXETER HOSPITAL INC

Employer identification number
22-2674014

Part I Financial Assistance and Certain Other Community Benefits at Cost

			Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a .	1a	Yes	
b	If "Yes," is it a written policy?	1b	Yes	
2	If the organization has multiple hospitals, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year ☐ Applied uniformly to all hospitals ☐ Applied uniformly to most hospitals ☐ Generally tailored to individual hospitals			
3	Answer the following based on the the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year			
a	Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing *free* care to low income individuals? If "Yes," indicate which of the following is the FPG family income limit for eligibility for free care ☐ 100% ☐ 150% ☐ 200% ☑ Other **275.000000000000 %**	3a	Yes	
b	Does the organization use FPG to determine eligibility for providing *discounted* care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care ☐ 200% ☐ 250% ☐ 300% ☐ 350% ☑ 400% ☐ Other _____ %	3b	Yes	
c	If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care			
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b	Yes	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		No
6a	Does the organization prepare a community benefit report during the tax year?	6a	Yes	
6b	If "Yes," did the organization make it available to the public?	6b	Yes	
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheets 1 and 2)		2,304	4,829,235		4,829,235	2 640 %
b Unreimbursed Medicaid (from Worksheet 3, column a)		3,408	6,955,362		6,955,362	3 800 %
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs		5,712	11,784,597		11,784,597	6 440 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)		61,343	1,437,367	31,418	1,405,949	0 770 %
f Health professions education (from Worksheet 5)		692	956,825		956,825	0 520 %
g Subsidized health services (from Worksheet 6)		2,711	3,512,890	630,085	2,882,805	1 570 %
h Research (from Worksheet 7)		340	198,587	36,725	161,862	0 090 %
i Cash and in-kind contributions to community groups (from Worksheet 8)			1,302,443		1,302,443	0 710 %
j **Total** Other Benefits		65,086	7,408,112	698,228	6,709,884	3 660 %
k **Total.** Add lines 7d and 7j		70,798	19,192,709	698,228	18,494,481	10 100 %

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			30,773		30,773	0 020 %
4	Environmental improvements						
5	Leadership development and training for community members			4,000		4,000	0 %
6	Coalition building						
7	Community health improvement advocacy			20,874		20,874	0 010 %
8	Workforce development			5,791		5,791	0 %
9	Other						
10	**Total**			61,438		61,438	0 030 %

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

Section A. Bad Debt Expense

				Yes	No
1	Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No 15?	1			No
2	Enter the amount of the organization's bad debt expense (at cost)	2	5,643,084		
3	Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's financial assistance policy	3	1,434,220		
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	56,464,407
6	Enter Medicare allowable costs of care relating to payments on line 5	6	73,873,998
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	-17,409,591
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used		

☐ Cost accounting system ☑ Cost to charge ratio ☐ Other

Section C. Collection Practices

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

Part IV **Management Companies and Joint Ventures**

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

Part V Facility Information

Section A. Hospital Facilities

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

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

	Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
1	EXETER HOSPITAL 5 ALUMNI DRIVE EXETER,NH 03833	X	X					X		

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

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

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

Part VI Supplemental Information

Complete this part to provide the following information

1 **Required descriptions.** Provide the description required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc)

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

Identifier	ReturnReference	Explanation
		PART I, LINE 7 A RATIO OF PATIENT COST TO CHARGE WAS CALCULATED UTILIZING WORKSHEET 2 THE RATIO OF COST TO CHARGE WAS UTILIZED IN CALCULATING LINE 7A TOTAL NET COMMUNITY BENEFIT EXPENSE FOR CHARITY CARE

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 $ 12161820

Identifier	ReturnReference	Explanation
		PART II THE MAJORITY OF THE REMAINING COMMUNITY BENEFIT ACTIVITIES REPORTED AS COMMUNITY BUILDING ACTIVITIES ARE CASH DONATIONS TO COMMUNITY ORGANIZATIONS FOR THE PURPOSE OF FURTHERING WORKFORCE DEVELOPMENT, ADVOCACY FOR COMMUNITY HEALTH IMPROVEMENT, LEADERSHIP AND ECONOMIC DEVELOPMENT

Identifier	ReturnReference	Explanation
		PART III, LINE 4 ACCOUNTS RECEIVABLE ARE REDUCED BY AN ALLOWANCE FOR DOUBTFUL ACCOUNTS IN EVALUATING THE COLLECTABILITY OF ACCOUNTS RECEIVABLE, THE HOSPITAL ANALYZES ITS PAST HISTORY AND IDENTIFIES TRENDS FOR EACH OF ITS MAJOR PAYOR SOURCES OF REVENUE TO ESTIMATE THE APPROPRIATE ALLOWANCE FOR DOUBTFUL ACCOUNTS AND PROVISION FOR BAD DEBTS MANAGEMENT REGULARLY REVIEWS DATA ABOUT THESE MAJOR PAYOR SOURCES OF REVENUE IN EVALUATING THE SUFFICIENCY OF THE ALLOWANCE FOR DOUBTFUL ACCOUNTS FOR RECEIVABLES ASSOCIATED WITH SERVICES PROVIDED TO PATIENTS WHO HAVE THIRD-PARTY COVERAGE, THE HOSPITAL ANALYZES CONTRACTUALLY DUE AMOUNTS AND PROVIDES AN ALLOWANCE FOR DOUBTFUL ACCOUNTS AND A PROVISION FOR BAD DEBTS, IF NECESSARY (FOR EXAMPLE, FOR EXPECTED UNCOLLECTIBLE DEDUCTIBLES AND COPAYMENTS ON ACCOUNTS FOR WHICH THE THIRD-PARTY PAYOR HAS NOT YET PAID) FOR RECEIVABLES ASSOCIATED WITH SELF-PAY PATIENTS (WHICH INCLUDES BOTH PATIENTS WITHOUT INSURANCE AND PATIENTS WITH DEDUCTIBLE AND COPAYMENT BALANCES DUE FOR WHICH THIRD-PARTY COVERAGE EXISTS FOR PART OF THE BILL), THE HOSPITAL RECORDS A SIGNIFICANT PROVISION FOR BAD DEBTS IN THE PERIOD OF SERVICE ON THE BASIS OF ITS PAST EXPERIENCE, WHICH ACCOUNTS FOR MANY PATIENTS WHO ARE UNABLE OR UNWILLING TO PAY THE PORTION OF THEIR BILL FOR WHICH THEY ARE FINANCIALLY RESPONSIBLE THE DIFFERENCE BETWEEN THE DISCOUNTED RATES AND THE AMOUNTS ACTUALLY COLLECTED AFTER ALL REASONABLE COLLECTION EFFORTS HAVE BEEN EXHAUSTED IS CHARGED OFF AGAINST THE ALLOWANCE FOR DOUBTFUL ACCOUNTS THE PATIENT COST TO CHARGE FROM WORKSHEET 2 WAS APPLIED TO DETERMINE THE AMOUNT OF THE ORGANIZATIONS BAD DEBT EXPENSE AT COST

Identifier	ReturnReference	Explanation
		PART III, LINE 8 MEDICARE COSTS ARE NOT COUNTED AS A COMMUNITY BENEFIT PER NH OR IRS GUIDANCE, THEREFORE THE COST FIGURE OF $17,409,591 IS NOT INCLUDED IN THE TOTAL UNREIMBURSED COMMUNITY BENEFIT EXPENSE THE RATIO OF COST TO CHARGE WAS UTILIZED IN CALCULATING THE AMOUNT

Identifier	ReturnReference	Explanation
		PART III, LINE 9B IF A PATIENT HAS BEEN APPROVED FOR FINANCIAL ASSISTANCE AND THEIR ACCOUNT WAS SENT TO A COLLECTION AGENCY, THE ACCOUNT WILL BE RETRACTED FROM THE COLLECTION AGENCY AND FINANCIAL ASSISTANCE WILL BE APPLIED TO THE ACCOUNT

Identifier	ReturnReference	Explanation
		PART VI, LINE 2 EVERY FIVE YEARS, EXETER HOSPITAL, IN COLLABORATION WITH ITS COMMUNITY PARTNERS, CONDUCTS A COMMUNITY NEEDS ASSESSMENT TO IDENTIFY, PRIORITIZE, AND ADDRESS CRITICAL HEALTH ISSUES THE LAST COMMUNITY NEEDS ASSESSMENT WAS COMPLETED IN 2008 THE PURPOSE OF THE ASSESSMENT WAS TO ENGAGE COMMUNITY MEMBERS THROUGH KEY LEADER INTERVIEWS AND COMMUNITY FORUMS, AND TO ACHIEVE THE FOLLOWING OBJECTIVES - EDUCATE AND INFORM KEY LEADERS AND COMMUNITY FORUM PARTICIPANTS OF THE RESULTS OF THE 2003 COMMUNITY NEEDS ASSESSMENT AND ACHIEVEMENTS TO DATE TO MEET IDENTIFIED NEEDS- VALIDATE PRIORITY HEALTH NEEDS IDENTIFIED IN THE 2003 COMMUNITY NEEDS ASSESSMENT AND FURTHER DEFINE THESE NEEDS IN 2008 FROM THE STAKEHOLDERS' PERSPECTIVE- IDENTIFY UNMET NEEDS THAT HAVE EMERGED SINCE THE 2003 COMMUNITY NEEDS ASSESSMENT- ENGAGE KEY LEADERS AND COMMUNITY FORUM PARTICIPANTS IN A DISCUSSION TO IDENTIFY SOLUTIONS TO ADDRESS COMMUNITY HEALTH NEEDS- SHARE THE FINDINGS OF THE UNH SURVEY CENTER HOUSEHOLD TELEPHONE SURVEY WHERE APPROPRIATE, MOTIVATE KEY LEADERS AND COMMUNITY FORUM PARTICIPANTS TO PARTICIPATE IN EFFORTS TO ADDRESS COMMUNITY HEALTH NEEDS GOING FORWARD- SERVE AS A CONTINUING FOUNDATION FOR THE DEVELOPMENT OF A COMMUNITY BENEFITS PLAN, AS MANDATED UNDER RSA 7 32-ETHE 2008 COMMUNITY NEEDS ASSESSMENT INCLUDED A TELEPHONE SURVEY, FOCUS GROUP AND KEY LEADER INTERVIEW COMPONENTS THE REPORT IN ITS ENTIRETY CAN BE ACCESSED ON THE EXETER HOSPITAL WEBSITE HTTP //WWW EXETERHOSPITAL COM/ABOUT-EXETER/COMMUNITY-BENEFITS/

Identifier	ReturnReference	Explanation
		PART VI, LINE 3 EXETER HOSPITAL PROVIDES ITS PATIENTS WITH INFORMATION REGARDING THE ORGANIZATIONS FINANCIAL ASSISTANCE PROGRAM, AND A SUMMARY OF THE ORGANIZATIONS POLICY, ON THE BACK OF EVERY BILLING STATEMENT ON THE EXETER HOSPITAL WEBSITE (HTTP //EXETERHOSPITAL COM), PATIENTS AND THE GENERAL PUBLIC CAN FIND INFORMATION ON THE ORGANIZATIONS FINANCIAL ASSISTANCE PROGRAMS, FINANCIAL ASSISTANCE, UNINSURED CARE DISCOUNT PROGRAM, CATASTROPHIC CARE PROGRAM, AND STATE-WIDE PROGRAMS AS AN ADDITIONAL MEASURE TO ENSURE OUR COMMUNITY MEMBERS ARE AWARE OF EXETER HOSPITAL'S FINANCIAL ASSISTANCE PROGRAMS, TWICE A YEAR THE ORGANIZATION RUNS ADVERTISEMENTS IN COMMUNITY NEWSPAPERS SUMMARIZING THE ORGANIZATION'S FINANCIAL ASSISTANCE/CHARITY CARE POLICY EXETER HOSPITAL EMPLOYS FINANCIAL COUNSELORS SPECIFICALLY DEDICATED TO ASSISTING PATIENTS WITH QUESTIONS REGARDING THEIR ELIGIBILITY FOR FINANCIAL ASSISTANCE, AND ASSISTING PATIENTS THROUGH THE QUALIFICATION PROCESS AS APPLICABLE ALL INPATIENT SELF-PAY PATIENTS ARE PROVIDED INFORMATION AND COUNSELING REGARDING THE ELIGIBILITY FOR FINANCIAL ASSISTANCE PROGRAMS AT THE TIME OF SERVICE SELF-PAY PATIENTS IN THE EMERGENCY DEPARTMENT, SURGICAL AREAS AND ONCOLOGY ARE ALSO INFORMED OF THE HOSPITALS FINANCIAL ASSISTANCE PROGRAMS AT TIME OF SERVICE OR DISCHARGE

Identifier	ReturnReference	Explanation
		PART VI, LINE 4 EXETER HOSPITAL SERVICES AN AREA THAT ENCOMPASSES 40 COMMUNITIES WITH AN ESTIMATED POPULATION OF 230,777

Identifier	ReturnReference	Explanation
		PART VI, LINE 6 ACCESS TO CAREFINANCIAL ASSISTANCE EXETER HOSPITAL HAS THREE COMPONENTS TO ITS HEALTH CARE ACCESS PROGRAM - THE UNINSURED CARE DISCOUNT/HOSPITAL ACCESS PLUS PROGRAM EXTENDS A 20% DISCOUNT OFF TOTAL CHARGES TO PATIENTS - THE FINANCIAL ASSISTANCE PROGRAM IS A COMMUNITY-BASED PROGRAM FOR UNINSURED AND UNDERINSURED PATIENTS WHO MEET SPECIFIC INCOME, GEOGRAPHICAL AND OTHER GUIDELINES, AND WHO DO NOT OTHERWISE QUALIFY FOR ANY STATE OR FEDERAL ASSISTANCE - EXETER'S CATASTROPHIC CARE PROGRAM PROVIDES FINANCIAL RELIEF FOR THOSE PATIENTS WHO DO NOT QUALIFY FOR OUR FINANCIAL ASSISTANCE PROGRAM, BUT WHO ARE FACED WITH A SUBSTANTIAL DEBT DUE TO A SERIOUS ILLNESS OR INJURY THE FINANCIAL RELIEF IS CALCULATED BASED ON A PERCENTAGE OF THE PATIENT'S GROSS INCOME EXETER HOSPITAL PROVIDED $4,990,463 (CALCULATED AT COST) IN CHARITY CARE DURING FY 2011, A 30 PERCENT INCREASE OVER FY 2010 IN FY 2011 THE CHARITY CARE PROGRAM SERVED 2,304 PEOPLE WOMEN'S WELLNESS CLINIC THROUGH A PARTNERSHIP WITH SEACARE HEALTH SERVICES, THIS CLINIC PROVIDES UNINSURED AND UNDERINSURED WOMEN WITH RECOMMENDED BREAST AND CERVICAL CANCER SCREENINGS IN FY 2011 THE WOMEN'S WELLNESS CLINIC SERVED 121 WOMEN AND EXETER HOSPITAL PROVIDED $64,343 TO CONTINUE THIS INITIATIVE COMMUNITY PARTNERS EXETER HOSPITAL WORKS COLLABORATIVELY WITH LOCAL NON-PROFIT AGENCIES AND ORGANIZATIONS WHICH STRIVE TO IMPROVE THE HEALTH OF THE COMMUNITY THESE RELATIONSHIPS INCLUDE LAMPREY HEALTH CARE IN FY 2011 EXETER HOSPITAL CONTINUED ITS FINANCIAL SUPPORT OF LAMPREY HEALTH CARE WITH A COMMUNITY BENEFIT GRANT IN THE AMOUNT OF $500,250 LAMPREY HEALTH CARE IS NEW HAMPSHIRE'S OLDEST AND LARGEST PRIVATE, NON-PROFIT COMMUNITY HEALTH CENTER WITH LOCATIONS IN NEWMARKET, RAYMOND, AND NASHUA THE ORGANIZATION SERVES OVER 16,000 PATIENTS OF ALL AGES EACH YEAR AS A COMMUNITY HEALTH CENTER, THEY PROVIDE PRIMARY CARE AND HEALTH-RELATED SERVICES TO ALL INDIVIDUALS AND FAMILIES, REGARDLESS OF INSURANCE STATUS OR ABILITY TO PAY BY FOCUSING ON PREVENTION AND HEALTH CARE MANAGEMENT, LAMPREY HEALTH CARE STRIVES TO KEEP THE INSURED AND UNINSURED HEALTHY, IMPROVING HEALTH OUTCOMES AND REDUCING HEALTH CARE COSTS FOR THEIR PATIENTS AND COMMUNITIES AS A WHOLE SEACARE HEALTH SERVICES EXETER HOSPITAL SUPPORTED SEACARE HEALTH SERVICES IN THE AMOUNT OF $324,750 SEACARE IS THE OLDEST VOLUNTEER PROVIDER NETWORK PRESENTLY FUNCTIONING IN THE US ORGANIZED IN 1989, SEACARE INITIALLY PROVIDED PRIMARY CARE FOR CHILDREN IN PORTSMOUTH BUT EXPANDED IN 1994 TO INCLUDE PRIMARY AND SPECIALTY HEALTH CARE COORDINATION SERVICES FOR PEOPLE OF ALL AGES IN 21 TOWNS IN THE SEACOAST REGION FAMILIES FIRST HEALTH AND SUPPORT CENTER IN FY 2011 EXETER HOSPITAL MADE A FINANCIAL CONTRIBUTION TO FAMILIES FIRST IN THE AMOUNT OF $50,000 FAMILIES FIRST IS A COMMUNITY HEALTH CENTER OFFERING A WIDE VARIETY OF HEALTH SERVICES AND PROGRAMS INCLUDING PRIMARY CARE, PRENATAL CARE, DENTAL CARE, AND MOBILE HEALTH CARE FOR THE HOMELESS NEW OUTLOOK TEEN CENTER EXETER HOSPITAL CONTINUED ITS SUPPORT OF NEW OUTLOOK TEEN CENTER IN THE AMOUNT OF $90,237 NEW OUTLOOK IS A RECREATIONAL, EDUCATIONAL AND PREVENTION-ORIENTED PROGRAM LOCATED IN EXETER, NH OFFERING AFTER-SCHOOL AND SUMMER ADVENTURE PROGRAM SETTINGS FOR MIDDLE AND HIGH SCHOOL YOUTH NEW OUTLOOK SERVES MORE THAN 350 YOUTH IN THE TOWNS OF BRENTWOOD, EAST KINGSTON, EXETER, KENSINGTON, NEWFIELDS AND STRATHAM BEHAVIORAL HEALTH CARE SEACOAST MENTAL HEALTH CENTER EXETER HOSPITAL PARTNERS WITH SEACOAST MENTAL HEALTH TO OFFER MENTAL HEALTH SERVICES TO PATIENTS AND THEIR CAREGIVERS IN THE EMERGENCY DEPARTMENT AND CANCER CARE CENTER IN FY 2011 EXETER HELPED TO UNDERWRITE MENTAL HEALTH SERVICES

Identifier	ReturnReference	Explanation
		PART VI, LINE 7 A NETWORK OF CARINGEXETER HOSPITAL, INC IS ONE OF FIVE AFFILIATES OF EXETER HEALTH RESOURCES AT EACH OF THE AFFILIATED COMPANIES, EXETER IS COMMITTED TO PROVIDING HEALTH CARE SERVICES THAT ARE INNOVATIVE, PROGRESSIVE AND FOCUSED ON QUALITY AND THE WELL-BEING OF PATIENTS THE MISSION OF EXETER HEALTH RESOURCES AND ITS AFFILIATES IS TO IMPROVE THE HEALTH OF THE COMMUNITY THIS MISSION IS PRINCIPALLY SUPPORTED THROUGH THE PROVISION OF HEALTH SERVICES AND INFORMATION TO THE COMMUNITY DURING FISCAL YEAR 2011, EXETER HOSPITAL, CORE PHYSICIANS, EXETER HEALTHCARE AND ROCKINGHAM VNA & HOSPICE HAVE CONTINUED THE PURSUIT OF THIS MISSION TO IMPROVE THE HEALTH OF THE COMMUNITY PROVIDING $29,079,120 IN CHARITY CARE AND OTHER COMMUNITY BENEFIT PROGRAMS AND SERVICES TO COMMUNITIES IN THE AREAS SERVED EXETER HOSPITAL IS A 99-BED COMMUNITY-BASED HOSPITAL SERVING NEW HAMPSHIRES SEACOAST REGION EXETER HOSPITAL'S SCOPE OF CARE INCLUDES COMPREHENSIVE MEDICAL AND SURGICAL HEALTH CARE SERVICES IN BREAST HEALTH, MATERNAL/CHILD AND REPRODUCTIVE MEDICINE, CARDIOVASCULAR, SLEEP MEDICINE, OCCUPATIONAL AND EMPLOYEE HEALTH, ONCOLOGY, ORTHOPAEDICS, AND EMERGENCY CARE EXETER HOSPITAL IS ACCREDITED BY THE JOINT COMMISSION IN FISCAL YEAR 2011 AND IS A MEMBER OF THE NATIONAL QUALITY FORUM CORE PHYSICIANS IS A COMMUNITY-BASED, MULTI-SPECIALTY GROUP PRACTICE OVER 100 PHYSICIANS IN TWENTY-FIVE LOCATIONS PURSUE EXCEPTIONAL PATIENT SATISFACTION THROUGH CLINICAL COMPETENCE AND PROFESSIONAL OFFICE ADMINISTRATION EXETER HEALTHCARE IS A SUB ACUTE AND REHABILITATION CARE FACILITY OFFERING MULTIDISCIPLINARY EXPERTISE THAT INTEGRATES REHABILITATION, NURSING, NUTRITIONAL MANAGEMENT, MEDICAL CARE AND RESPIRATORY THERAPY ROCKINGHAM VISITING NURSE ASSOCIATION & HOSPICE IS A COMMUNITY-BASED HOME HEALTH AND HOSPICE AGENCY PROVIDING INDIVIDUALS AND FAMILIES WITH THE HIGHEST QUALITY HOME CARE, HOSPICE AND COMMUNITY OUTREACH PROGRAMS WITHIN ROCKINGHAM COUNTY AND THE SURROUNDING TOWNS OF BARRINGTON, LEE AND DURHAM SYNERGY HEALTH AND FITNESS CENTER IS A STATE-OF-THE-ART, FULL SERVICE HEALTH AND FITNESS FACILITY WHICH IS OPEN TO THE COMMUNITY ON A MEMBERSHIP BASIS

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

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493136009022

Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
EXETER HOSPITAL INC

Employer identification number
22-2674014

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) NEW OUTLOOKPO BOX 865 EXETER,NH 03833	02-0468342	501(C)(3)	90,237				PROVIDE RECREATIONAL, EDUCATIONAL AND PREVENTION ORIENTED PROGRAMS IN AFTER SCHOOL AND SUMMER PROGRAMS
(2) LAMPREY HEALTHCARE INC207 SOUTH MAIN STREET NEWMARKET,NH 03857	23-7305106	501(C)(3)	500,250				SUPPORTS THE PROVISION OF VITAL HEALTH CARE SERVICES FOR THE INDIGENT AND UNINSURED INDIVIDUALS IN THE COMMUNITY
(3) SEACARE HEALTH SERVICES11 DOWNING COURT EXETER,NH 03833	05-0473406	501(C)(3)	324,750				ASSISTANCE IN PROVIDING HEALTH CARE COORDINATION AND EDUCATION SERVICES, AS WELL AS MEDICATION ACCESS TO UNINSURED INDIVIDUALS IN THE COMMUNITY IT SERVES
(4) VX HEALTH SERVICES INC7 ALUMNI DRIVE EXETER,NH 03833	02-0469712		291,669				FUND CHARITABLE FITNESS MEMBERSHIPS
(5) FAMILIES FIRST100 CAMPUS DRIVE SUITE 12 PORTSMOUTH,NH 03801	22-2757341	501(C)(3)	50,000				ANNUAL FUNDING CONTRIBUTION THAT HELPS FAMILIES FIRST CONTINUE TO PROVIDE HEALTH SERVICES INCLUDING PRIMARY CARE, DENTAL, PRENATAL CARE AND MOBILE HEALTH CARE FOR THE HOMELESS
(6) UNITED WAY OF THE GREATER SEACOAST112 CORPORATE DR PORTSMOUTH,NH 03801	04-2382233	501(C)(3)	25,000				VOLUNTEER ACTION CENTER SPONSORSHIP

2 Enter total number of section 501(c)(3) and government organizations . . . . . ▶ 5

3 Enter total number of other organizations . . . . . ▶ 1

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 ALL REQUESTS FOR GRANTS,CONTRIBUTIONS, OR SPONSORSHIPS OVER $5,000 REQUIRE THE APPROVAL OF AT LEAST THE VICE PRESIDENT OF STRATEGY, COMMUNITY RELATIONS AND DEVELOPMENT TO ENSURE THAT THEY ARE CONSISTENT WITH OUR MISSION, VALUES AND STRATEGIC PLAN LARGER GRANTS LIKE THOSE PROVIDED TO LAMPREY, SEACARE AND NEW OUTLOOK TEEN CENTER ARE ALSO REVIEWED BY THE CHIEF FINANCIAL OFFICER AND CHIEF EXECUTIVE OFFICER PRIOR TO APPROVAL EACH OF THOSE REQUESTING ORGANIZATIONS EITHER PROVIDES A WRITTEN SUMMARY OF HOW THEY HAVE USED OUR PREVIOUS SUPPORT AS WELL AS THEIR SPECIFIC PLANS FOR ANY NEW REQUESTED FUNDING OR THEY MAKE A PRESENTATION IN PERSON USUALLY TO THE CHIEF FINANCIAL OFFICER, THE CHIEF EXECUTIVE OFFICER AND THE VICE PRESIDENT OF STRATEGY, COMMUNITY RELATIONS AND DEVELOPMENT EACH YEAR A SUB COMMITTEE OF EXETER HEALTH RESOURCES' (PARENT COMPANY) BOARD OF TRUSTEES IS CHARGED WITH OVERSEEING OUR COMMUNITY BENEFITS PROGRAM AND OUR COMMUNITY NEEDS ASSESSMENT AND REVIEWS A DETAILED REPORT ON THE PREVIOUS YEAR'S GRANTS/ CONTRIBUTIONS/SPONSORSHIPS AND APPROVES THE CURRENT YEAR'S PLAN FOR COMMUNITY SUPPORT THAT SUB COMMITTEE AND THE LARGER EXETER HEALTH RESOURCES' (PARENT COMPANY) BOARD OF TRUSTEES ARE REGULARLY UPDATED ON OUR COMMUNITY SUPPORT INITIATIVES

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493136009022

Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
EXETER HOSPITAL INC

Employer identification number
22-2674014

Part I Questions Regarding Compensation

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

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

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

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) KEVIN J CALLAHAN	(i)	0	0	0	0	0	0	0
	(ii)	490,965	175,136	97,514	174,700	22,148	960,463	0
(2) NANCY BRAESE DO	(i)	0	0	0	0	0	0	0
	(ii)	98,109	26,862	23,589	4,620	22,294	175,474	0
(3) KEVIN J O'LEARY	(i)	0	0	0	0	0	0	0
	(ii)	267,031	90,019	50,232	82,700	17,731	507,713	0
(4) CONSTANCE D SPRAUER	(i)	0	0	0	0	0	0	0
	(ii)	198,860	52,636	42,849	14,700	17,631	326,676	0
(5) ANNE MARIE BULARZIK	(i)	197,398	76,470	28,019	14,700	1,251	317,838	0
	(ii)	0	0	0	0	0	0	0
(6) BRIAN CAMPBELL	(i)	154,408	69,067	34,029	14,696	21,841	294,041	0
	(ii)	0	0	0	0	0	0	0
(7) JONATHAN A JACKSON	(i)	208,290	136	340	12,711	17,438	238,915	0
	(ii)	0	0	0	0	0	0	0
(8) JOAN RACZY	(i)	122,156	3,136	15,267	8,922	25,909	175,390	0
	(ii)	0	0	0	0	0	0	0
(9) JANE PETERSON	(i)	143,344	16,752	23,497	11,049	1,830	196,472	0
	(ii)	0	0	0	0	0	0	0
(10) DEANNA KING	(i)	141,798	7,865	300	6,324	26,630	182,917	0
	(ii)	0	0	0	0	0	0	0
(11) JUDY RINES	(i)	131,092	13,073	7,736	9,303	21,490	182,694	0
	(ii)	0	0	0	0	0	0	0
(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 1A	TAX INDEMNIFICATION AND GROSS UP PAYMENTS WERE PROVIDED TO NANCY BRAESE, LARRY PRESSMAN, KEVIN CALLAHAN, CONSTANCE SPRAUER, KEVIN O'LEARY, ANNE MARIE BULARZIK, BRIAN CAMPBELL JONATHAN JACKSON, JUDY RINES AND JANE PETERSON (FOR ACQUISITION OF SUPPLEMENTAL LONG TERM DISABILITY INSURANCE) THE BENEFIT WAS TREATED AS TAXABLE INCOME TRUSTEES ARE ELIGIBLE FOR DISCOUNTED MEMBERSHIP FEES AT A WELLNESS CENTER OWNED BY A SUBSIDIARY OF EXETER HEALTH RESOURCES THE BENEFIT IS REPORTED AS TAXABLE INCOME TO THE TRUSTEE
	PART I, LINE 1B	THERE WAS NO EXISTING POLICY CONCERNING TAX INDEMNIFICATION AND GROSS UP PAYMENTS HOWEVER, IN THE INSTANCE OF SUCH ACTION RELATED TO THE ACQUISITION OF LONG TERM DISABILITY INSURANCE DESCRIBED ABOVE, THE TAX INDEMNIFICATION AND GROSS UP PAYMENTS WERE APPROVED BY THE EXETER HEALTH RESOURCES BOARD OF TRUSTEES EXECUTIVE COMMITTEE WHICH IS COMPRISED OF DISINTERESTED PERSONS
	PART I, LINE 4B	THE ORGANIZATION'S PARENT (EXETER HEALTH RESOURCES, INC) MAINTAINS A SPLIT DOLLAR SUPPLEMENTAL RETIREMENT PLAN FOR 2 EXECUTIVES (LISTED BELOW WITH AMOUNTS)SELECTED BY THE EXETER HEALTH RESOURCES BOARD OF TRUSTEES THE PLAN IS CLOSED TO FUTURE PARTICIPANTS THE PLAN PROVIDES FOR ANNUAL PAYMENTS OF PREMIUMS FOR LIFE INSURANCE POLICIES INSURING THE LISTED INDIVIDUALS THOSE LIFE INSURANCE PREMIUMS ARE COLLATERALLY ASSIGNED TO THE CORPORATION AND ANY EXCESS ACCUMULATED VALUE IN THE POLICIES (NET OF ACCUMULATED PREMIUM PAYMENTS) ARE AVAILABLE TO BE PAID TO THE PARTICIPANT ONCE VESTED AT AGE 62 KEVIN CALLAHAN - EXCESS ACCUMULATED VALUE - $37,726 KEVIN O'LEARY - EXCESS ACCUMULATED VALUE - $10,615 CERTAIN OF THE LISTED EMPLOYEES PARTICIPATE IN A NONQUALIFIED DEFERRED COMPENSATION PLAN AS DESCRIBED IN INTERNAL REVENUE CODE SECTION 457(F) SPONSORED BY EHR IN THE CALENDAR YEAR ENDED DEC 31, 2010 THE CONTRIBUTION TO THE PLAN FOR THE NON-VESTED BENEFIT OF KEVIN CALLAHAN WAS $168,000 AND THE CONTRIBUTION TO THE PLAN FOR THE NON-VESTED BENEFIT OF KEVIN O'LEARY WAS $68,000 PARTICIPANTS IN THE 457(F) PLAN DO NOT VEST UNTIL AGE 62
	PART I, LINE 7	THE ORGANIZATION PROVIDES AN ANNUAL INCENTIVE COMPENSATION PLAN FOR EXECUTIVES SELECTED BY THE EXETER HEALTH RESOURCES INC BOARD OF TRUSTEES THESE EXECUTIVES INCLUDE KEVIN CALLAHAN, KEVIN O'LEARY, CONSTANCE SPRAUER, ANNE MARIE BULARZIK AND BRIAN CAMPBELL THE BOARD AND/OR ITS EXECUTIVE COMMITTEE APPROVES MEASUREABLE ACHIEVEMENT CRITERIA FOR QUALITY, PATIENT SATISFACTION, PROCESS IMPROVEMENT, FINANCIAL PERFORMANCE, SERVICES INNOVATION AND OTHER COMPELLING AREAS OF STRATEGIC AND OPERATIONAL INTEREST ADDITIONALLY THE BOARD AND/OR ITS EXECUTIVE COMMITTEE ESTABLISHES MINIMUM, TARGETED AND MAXIMUM LEVELS FOR INCENTIVE AWARDS AND APPROVES ALL AWARDS FOR PARTICIPATING EXECUTIVES LARRY PRESSMAN MD AND NANCY BRAESE DO ARE COMPENSATED UNDER CORE PHYSICIANS, LLC'S COMPENSATION PROGRAM COMPENSATION IS DETERMINED USING SURVEYS OF CURRENT COMPENSATION WITHIN COMPARABLE MARKETS AND THE ADVICE OF OUTSIDE CONSULTANTS THE PHYSICIANS' COMPENSATION IS APPROVED BY CORE PHYSICIANS, LLC'S COMPENSATION COMMITTEE WHICH IS COMPRISED OF SYSTEM MANAGERS WHO ARE APPROVED BY THE EXETER HEALTH RESOURCES INC BOARD OF TRUSTEES JONATHAN JACKSON, JANE PETERSON, DEANNA KING, JUDY RINES AND JOAN RACZY PARTICIPATE IN AN ANNUAL INCENTIVE PROGRAM WHICH IS ADMINISTERED BY EXETER HOSPITAL'S HUMAN RESOURCES DEPARTMENT THE PROGRAM INCLUDES MEASURABLE ACHIEVEMENT CRITERIA FOR PERFORMANCE AND SERVICE INNOVATION

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493136009022

Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
EXETER HOSPITAL INC

Employer identification number
22-2674014

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 AND EDUCATION FACILITIES AUTHORITY	02-0279866	644614GH6	11-20-2003	20,000,000	RENOVATION AND EXPANSION PROJECTS ON THE HOSPITAL CAMPUS		X	X			X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired				
2	Amount of bonds legally defeased				
3	Total proceeds of issue	20,000,000			
4	Gross proceeds in reserve funds	19,892,600			
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrow				
7	Issuance costs from proceeds	256,727			
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds	19,635,873			
11	Other spent proceeds				
12	Other unspent proceeds				
13	Year of substantial completion	2006			

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

Part III Private Business Use

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

Part III Private Business Use *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use?		X						
b	Are there any research agreements that may result in private business use of bond-financed property?		X						
c	Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?	X							
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	0 %							
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶	0 %							
6	Total of lines 4 and 5	0 %							
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X							

Part IV Arbitrage

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

Part V Supplemental Information

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

Identifier	Return Reference	Explanation

efile GRAPHIC print - DO NOT PROCESS	As Filed Data -	DLN: 93493136009022

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
EXETER HOSPITAL INC

Employer identification number
22-2674014

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 6		EXETER HEALTH RESOURCES, INC , A CHARITABLE ORGANIZATION ACTING THROUGH ITS BOARD OF TRUSTEES IS THE SOLE MEMBER OF THE ORGANIZATION

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7A		EXETER HEALTH RESOURCES, INC ELECTS 9 OF THE 11 MEMBERS OF THE EXETER HOSPITAL BOARD OF TRUSTEES

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7B		THE SOLE MEMBER, EXETER HEALTH RESOURCES, INC , HAS THE RIGHT TO APPROVE DECISIONS OF THE GOVERNING BODY

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11		THE 990 IS PREPARED BY AN OUTSIDE TAX ACCOUNTANT WITH INFORMATION PROVIDED BY THE ORGANIZATION THE 990 IS REVIEWED BY THE ORGANIZATION'S TREASURER THEN PRESENTED TO THE BOARD OF TRUSTEES BEFORE IT IS FILED WITH THE IRS

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	THE BOARD OF TRUSTEES HAS ADOPTED A CONFLICT OF INTEREST POLICY THAT REQUIRES THE DISCLOSURE OF CONFLICTS OF INTEREST EITHER WHEN THE INTEREST BECOMES A MATTER OF POSSIBLE ACTION BY THE BOARD OR DURING AN ANNUAL DISCLOSURE PROCESS TRUSTEES, OFFICERS, AND KEY EMPLOYEES, AS WELL AS ALL MEMBERS OF SENIOR MANAGEMENT, ARE PART OF THE ANNUAL DISCLOSURE PROCESS, WHICH IS INITIATED BY THE ISSUANCE OF A MEMORANDUM AND ACCOMPANYING QUESTIONNAIRE BY THE PRESIDENT AND CHIEF EXECUTIVE OFFICER (CEO) ALL DISCLOSURES ARE REVIEWED ANY TRUSTEE WITH A CONFLICT OF INTEREST IS REQUIRED TO ABSTAIN FROM VOTING AND IS NOT INCLUDED IN A QUORUM DETERMINATION ON THE MATTER AND ANY OFFICER, KEY EMPLOYEE, OR MEMBER OF SENIOR MANAGEMENT WITH A CONFLICT DOES NOT TAKE PART IN MAKING AND IS NOT PRESENT FOR ANY DECISION REGARDING THE MATTER THE POLICY IS MONITORED AND ENFORCED BY BOTH THE PRESIDENT AND CEO AND THE FULL BOARD THERE ARE TWO ADDITIONAL CONFLICTS OF INTEREST POLICIES ONE IS APPLICABLE TO ALL EMPLOYEES AND CONTRACTED STAFF AND THE OTHER IS APPLICABLE TO MEMBERS OF THE MEDICAL STAFF AND ALLIED HEALTH PROFESSIONALS THE FORMER POLICY IS MONITORED AND ENFORCED BY THE VICE PRESIDENT OF HUMAN RESOURCES AND THE VICE PRESIDENT OF CORPORATE INTEGRITY AND COMPLIANCE AND THE LATTER IS MONITORED AND ENFORCED BY THE PRESIDENT OF THE MEDICAL STAFF, PRESIDENT AND CEO, GENERAL COUNSEL, AND COMPLIANCE OFFICER ON AN ANNUAL BASIS, STAFF WITHIN HUMAN RESOURCES SURVEY ALL EMPLOYEES AND CONTRACTED STAFF SERVING IN A MANAGERIAL ROLE, AS WELL AS MEMBERS OF ANY COMMITTEES THAT MAKE RECOMMENDATIONS OR DECISIONS REGARDING THE PURCHASE OF GOODS OR SERVICES BY ANY OF THE CORPORATIONS AS A MEANS TO ENSURE THAT ANY CONFLICT OF INTEREST IS DISCLOSED AND APPPROPRIATELY MANAGED EMPLOYEES OTHERWISE ARE REQUIRED TO SUPPLEMENT OR MAKE ANY FURTHER WRITTEN DISCLOSURE AT THE TIME A CONFLICT ARISES

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15	FORM 990, PART VI, SECTION B, LINE 15A & 15B THE ORGANIZATION'S PARENT (EXETER HEALTH RESOURCES) HAS A FORMAL PROCESS FOR DETERMINING TOTAL COMPENSATION FOR THE CEO AND OTHER LISTED OFFICERS THAT IS INTENDED TO PROVIDE REASONABLE COMPENSATION FOR ACHIEVING THE ORGANIZATION'S MISSION, TO RECOGNIZE INDIVIDUAL AND TEAM PERFORMANCE, AND TO COMPLY WITH THE ORGANIZATION'S OBLIGATIONS AS A TAX-EXEMPT CHARITABLE ORGANIZATION THE EXECUTIVE COMMITTEE OF THE EXETER HEALTH RESOURCES' BOARD OF TRUSTEES CONDUCTS AN ANNUAL REVIEW OF THE COMPENSATION OF THE CEO AND OTHER LISTED OFFICERS AND KEY EMLOYEES IN DOING SO, THE COMMITTEE RETAINS A QUALIFIED INDEPENDENT COMPENSATION CONSULTANT TO CONDUCT COMPETITIVE MARKET ANALYSIS OF THE MARKET RANGES OF BASE, INCENTIVE, AND TOTAL CASH COMPENSATION, AND TO PROVIDE ADVICE CONCERNING THE REASONABLENESS OF THE COMPENSATION OF THE CEO AND OTHER LISTED OFFICERS AND KEY EMPLOYEES THE COMMITTEE UTILIZES THAT ANALYSIS AND OTHER APPROPRIATE INFORMATION IN CONNECTION WITH ITS ANNUAL REVIEW AND MAKES RECOMMENDATIONS TO THE FULL BOARD OF EXETER HEALTH RESOURCES FOR ADJUSTMENT OF THE CEO'S COMPENSATION AND THE COMPENSATION FOR OTHER LISTED OFFICERS INFORMATION WHICH THE COMMITTEE MAY CONSIDER CAN INCLUDE BUT IS NOT LIMITED TO THE PERFORMANCE OF AN INDIVIDUAL AND/OR THAT INDIVIDUAL'S CONTRIBUTIONS TO A TEAM, THE PERFORMANCE OF THE ORGANIZATION IN WHOLE AND IN PART, THE ELEMENTS OF TOTAL COMPENSATION AND SALARY HISTORY, THE ORGANIZATION'S COMPENSATION TARGETS, AND COMPARABILITY DATA,INCLUDING THE DATA PREPARED BY THE INDEPENDENT CONSULTANT AND REVIEWED WITH THE COMMITTEE. THE COMMITTEE INCORPORATES A PERFORMANCE APPRAISAL PROCESS IN THE CEO'S, AND THE LISTED OFFICERS' AND KEY EMPLOYEES' COMPENSATION REVIEW THE CEO, AND OTHER LISTED OFFICERS AND KEY EMPLOYEES ARE NOT PRESENT WHEN THE COMMITTEE DISCUSSES THEIR RESPECTIVE COMPENSATION IN ADDITION, THE COMMITTEE DETERMINES IF THE THRESHOLD REQUIREMENTS FOR INCENTIVE AWARDS ARE MET, CONSISTING OF THE ORGANIZATION'S PERFORMANCE RESULTS FOR QUALITY, OPERATING SYSTEM EXCELLENCE AND FINANCIAL PERFORMANCE. THE RESULTS OF THE COMMITTEE'S DELIBERATIONS ARE PRESENTED TO THE EXETER HEALTH RESOURCES BOARD AND INCLUDE RECOMMENDATIONS CONCERNING SALARY RANGE ADJUSTMENTS AND INCENTIVE AWARDS AND THE BASIS FOR THE COMMITTEE'S DECISIONS / RECOMMENDATIONS THE DELIBERATIONS OF THE EXETER HEALTH RESOURCES BOARD ARE CONDUCTED IN EXECUTIVE SESSION WITH THE INDEPENDENT MEMBERS OF THE BOARD BUT DO INCLUDE THE CEO ONLY FOR THAT PERIOD OF TIME IN WHICH THE EXETER HEALTH RESOURCES BOARD HAS QUESTIONS CONCERNING THE PERFORMANCE OF ANY LISTED OFFICER OR KEY EMPLOYEE OTHER THAN THE CEO THE EXETER HEALTH RESOURCES BOARD REVIEWS THE CEO'S PERFORMANCE AND DETERMINES IF THE ADJUSTMENTS AND AWARDS RECOMMENDED BY THE COMMITTEE FOR THE CEO ARE IN THE ORGANIZATION'S BEST INTEREST AND FOR THE BENEFIT OF THE ORGANIZATION AND THE PARENT ORGANIZATION FOR THE LISTED OFFICER POSITIONS, ADJUSTMENTS AND INCENTIVE AWARDS ARE APPROVED UPON RECOMMENDATION OF THE CEO BY THE EXECUTIVE COMMITTEE WITHIN THE EXETER HEALTH RESOURCES BOARD APPROVED PARAMETERS AND RATIFIED BY THE BOARD OF TRUSTEES ADJUSTMENTS AND AWARDS FOR OTHER LISTED KEY EMPLOYEES ARE APPROVED UPON RECOMMENDATION OF THE CEO BY THE EXECUTIVE COMMITTEE WITHIN THE EXETER HEALTH RESOURCES BOARD APPROVED PARAMETERS AND REVIEWED BY THE BOARD

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

Identifier	Return Reference	Explanation
ALL OTHER FUNCTIONAL EXPENSES	FORM 990, PART X, LINE 24F	PHYSICIAN FEES PROGRAM SERVICE EXPENSES 6,312,103 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 6,312,103 CONTRACTED SERVICES PROGRAM SERVICE EXPENSES 3,924,386 MANAGEMENT AND GENERAL EXPENSES 586,461 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 4,510,847 INTEREST RATE SWAP PROGRAM SERVICE EXPENSES 0 MANAGEMENT AND GENERAL EXPENSES 3,777,747 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 3,777,747 OUTSIDE FEES PROGRAM SERVICE EXPENSES 1,763,145 MANAGEMENT AND GENERAL EXPENSES 263,459 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 2,026,604 EQUIPMENT RENTAL PROGRAM SERVICE EXPENSES 704,189 MANAGEMENT AND GENERAL EXPENSES 105,224 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 809,413 CONSULTING PROGRAM SERVICE EXPENSES 786,711 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 786,711 PROJECT/DESIGN COSTS PROGRAM SERVICE EXPENSES 0 MANAGEMENT AND GENERAL EXPENSES 731,084 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 731,084 COLLECTION FEES PROGRAM SERVICE EXPENSES 710,431 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 710,431 LAUNDRY/LINEN PROGRAM SERVICE EXPENSES 537,392 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 537,392 MISCELLANEOUS EXPENSE PROGRAM SERVICE EXPENSES 317,586 MANAGEMENT AND GENERAL EXPENSES 52,219 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 369,805 FINANCING FEES PROGRAM SERVICE EXPENSES 0 MANAGEMENT AND GENERAL EXPENSES 323,440 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 323,440 MAINTENANCE PROGRAM SERVICE EXPENSES 272,880 MANAGEMENT AND GENERAL EXPENSES 40,775 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 313,655 DUES/SUBSCRIPTIONS PROGRAM SERVICE EXPENSES 228,806 MANAGEMENT AND GENERAL EXPENSES 34,189 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 262,995 MEDICAL LEADERSHIP/ FEES PROGRAM SERVICE EXPENSES 197,559 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 197,559 STORAGE PROGRAM SERVICE EXPENSES 175,254 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 175,254 REFRESHMENTS PROGRAM SERVICE EXPENSES 149,484 MANAGEMENT AND GENERAL EXPENSES 22,337 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 171,821 FREIGHT AND TRANSPORTATION PROGRAM SERVICE EXPENSES 170,397 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 170,397 PATIENT TRANSPORT/SUPPORT GROUPS PROGRAM SERVICE EXPENSES 53,990 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 53,990 FUNDRAISING PROGRAM SERVICE EXPENSES 0 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 14,261 TOTAL EXPENSES 14,261

Identifier	Return Reference	Explanation
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	NET UNREALIZED LOSSES ON INVESTMENTS -4,535,001 TRANSFERS BETWEEN RELATED ENTITIES -15,063,668 ADJ TO MIN PENSION LIABILITY 6,235,047 ASSETS RELEASED -111,424 TOTAL TO FORM 990, PART XI, LINE 5 -13,475,046

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493136009022

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
EXETER HOSPITAL INC

Employer identification number
22-2674014

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
(1) EXETER HEALTH RESOURCES INC 5 ALUMNI DRIVE EXETER, NH 03833 02-0222126	MANAGEMENT AND SUPPORTING ORGANIZATION, HOLDING COMPANY	NH	501(C)(3)	11			No
(2) EXETER HEALTHCARE 5 ALUMNI DRIVE EXETER, NH 03833 02-0360966	SUBACUTE NURSING FACILITY	NH	501(C)(3)	9	EXETER HEALTH RESOURCES INC		No
(3) CORE PHYSICIANS LLC 5 ALUMNI DRIVE EXETER, NH 03833 87-0807914	PHYSICIAN PRACTICES	NH	501(C)(3)	9	EXETER HEALTH RESOURCES INC		No
(4) ROCKINGHAM VISITING NURSE ASSOC 5 ALUMNI DRIVE EXETER, NH 03833 02-0274905	HOME CARE, HOSPICE	NH	501(C)(3)	9	EXETER HEALTH RESOURCES INC		No
(5) MATRIX HEALTH INC 5 ALUMNI DRIVE EXETER, NH 03833 02-0473737	MANAGE RESOURCES	NH	501(C)(3)	11	EXETER HEALTH RESOURCES INC		No
(6) EXETER MED REAL 5 ALUMNI DRIVE EXETER, NH 03833 02-0418718	REAL ESTATE HOLDING	NH	501(C)(25)		EXETER HEALTH RESOURCES INC		No
(7) EXETER HEALTH RESOURCES SELF INSURANCE TRUST 5 ALUMNI DRIVE EXETER, NH 03833 20-0753662	SELF INSURANCE TRUST	NH	501(C)(3)	11	EXETER HEALTH RESOURCES INC		No

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) CONVERGENT HEALTH SYSTEMS INC 5 ALUMNI DRIVE EXETER, NH03833 02-0469711	WELLNESS CENTER	NH	EXETER HEALTH RESOURCES INC	C			
(2) VX HEALTH SERVICES 5 ALUMNI DRIVE EXETER, NH03833 02-0469712	FITNESS CENTER	NH	CONVERGENT HEALTH SYSTEMS INC	C			
(3) EXETER MEDICAL SERVICES 5 ALUMNI DRIVE EXETER, NH03833 02-0419850	INACTIVE PHYSICIAN PRACTICE	NH	CONVERGENT HEALTH SYSTEMS INC	C			
(4) CORE HEALTH SERVICES OF MA 5 ALUMNI DRIVE EXETER, NH03833 20-1598042	INACTIVE PHYSICIAN PRACTICE	MA	EXETER HEALTH RESOURCES INC	C			

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

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

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

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

Part VII Supplemental Information

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

Identifier	Return Reference	Explanation

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 22-2674014
Name: EXETER 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
EXETER HEALTH RESOURCES INC 5 ALUMNI DRIVE EXETER, NH03833 02-0222126	MANAGEMENT AND SUPPORTING ORGANIZATION, HOLDING COMPANY	NH	501(C)(3)	11			No
EXETER HEALTHCARE 5 ALUMNI DRIVE EXETER, NH03833 02-0360966	SUBACUTE NURSING FACILITY	NH	501(C)(3)	9	EXETER HEALTH RESOURCES INC		No
CORE PHYSICIANS LLC 5 ALUMNI DRIVE EXETER, NH03833 87-0807914	PHYSICIAN PRACTICES	NH	501(C)(3)	9	EXETER HEALTH RESOURCES INC		No
ROCKINGHAM VISITING NURSE ASSOC 5 ALUMNI DRIVE EXETER, NH03833 02-0274905	HOME CARE, HOSPICE	NH	501(C)(3)	9	EXETER HEALTH RESOURCES INC		No
MATRIX HEALTH INC 5 ALUMNI DRIVE EXETER, NH03833 02-0473737	MANAGE RESOURCES	NH	501(C)(3)	11	EXETER HEALTH RESOURCES INC		No
EXETER MED REAL 5 ALUMNI DRIVE EXETER, NH03833 02-0418718	REAL ESTATE HOLDING	NH	501(C)(25)		EXETER HEALTH RESOURCES INC		No
EXETER HEALTH RESOURCES SELF INSURANCE TRUST 5 ALUMNI DRIVE EXETER, NH03833 20-0753662	SELF INSURANCE TRUST	NH	501(C)(3)	11	EXETER HEALTH RESOURCES INC		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)	VX HEALTH SERVICES	B	291,669	CASH
(2)	EXETER HEALTH RESOURCES	Q	7,350,000	CASH
(3)	EXETER HEALTHCARE	Q	1,922,785	CASH
(4)	CORE PHYSICIANS LLC	Q	5,790,883	CASH
(5)	EXETER HEALTHCARE	J	474,591	CASH
(6)	EXETER HEALTH RESOURCES	J	59,424	CASH
(7)	EXETER MED REAL	J	993,115	CASH
(8)	CORE PHYSICIANS LLC	J	13,988	CASH
(9)	VX HEALTH SERVICES	J	76,911	CASH
(10)	EXETER HEALTH RESOURCES SI TRUST	P	1,120,240	CASH
(11)	EXETER HEALTH RESOURCES	L	5,089,246	CASH
(12)	EXETER HEALTHCARE	N	35,771	CASH
(13)	EXETER HEALTH RESOURCES	N	173,120	CASH
(14)	EXETER MED REAL	K	1,261,012	CASH
(15)	ROCKINGHAM VNA	K	199,993	CASH
(16)	VX HEALTH SERVICES	K	64,351	CASH
(17)	EXETER HEALTH RESOURCES	K	63,613	CASH
(18)	EXETER MED REAL	K	178,433	CASH
(19)	CORE PHYSICIANS LLC	L	3,644,847	CASH

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Exeter Hospital, Inc.

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

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

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

Baker Newman & Noyes

Limited Liability Company

Manchester, New Hampshire
December 14, 2011

EXETER HOSPITAL, INC.

BALANCE SHEETS

September 30, 2011 and 2010

ASSETS

	2011	2010
Current assets:		
Cash and cash equivalents	$ 56,059,709	$ 39,926,892
Short-term investments (notes 7 and 8)	197,426	17,632,270
Accounts receivable, less allowance for doubtful accounts of $12,186,062 in 2011 and $13,922,895 in 2010 (note 4)	18,087,321	18,962,118
Inventories	2,683,803	2,567,476
Due from related entities (note 10)	2,883,419	3,183,489
Prepaid expenses and other current assets (note 4)	2,877,278	1,199,801
Current portion of funds held by trustee under revenue bond agreements (notes 6, 7 and 8)	6,028,363	2,884,553
Total current assets	88,817,319	86,356,599
Investments, limited as to use (notes 7 and 8)	110,456,936	109,942,666
Funds held by trustee under revenue bond agreements (notes 6, 7 and 8)	3,045,848	3,045,855
Property, plant and equipment, net (notes 5 and 6)	77,266,196	81,873,178
Other	701,731	591,924
Total assets	$280,288,030	$281,810,222

LIABILITIES AND NET ASSETS

	2011	2010
Current liabilities:		
Accounts payable	$ 10,841,565	$ 6,621,632
Accrued salaries and payroll taxes	7,711,141	7,836,053
Due to third-party payors (note 3)	3,705,726	2,077,895
Accrued interest	1,051,984	1,297,226
Current portion of long-term debt	1,916,006	1,809,313
Total current liabilities	25,226,422	19,642,119
Accrued pension and other liabilities (notes 6, 8 and 9)	20,843,921	24,395,945
Long-term debt, less current portion (note 6)	59,247,795	61,127,003
Net assets:		
Unrestricted	157,968,770	159,581,890
Temporarily restricted	231,801	293,944
Permanently restricted	16,769,321	16,769,321
	174,969,892	176,645,155
Total liabilities and net assets	$280,288,030	$281,810,222

See accompanying notes.

EXETER HOSPITAL, INC.

STATEMENTS OF OPERATIONS

Years Ended September 30, 2011 and 2010

	2011	2010
Net patient service revenues (notes 3 and 11)	$190,927,133	$206,718,239
Disproportionate share funding (note 3)	7,417,253	10,485,391
Other revenues (note 4)	3,616,574	2,102,735
Net assets released from restrictions used for operations (note 10)	131,062	16,005
Total revenues and other support	202,092,022	219,322,370
Operating expenses (note 12):		
Salaries and benefits (notes 9 and 10)	90,540,842	91,239,029
Supplies and other (notes 3 and 10)	63,140,356	62,524,380
Provision for bad debts	12,161,820	14,056,122
Depreciation	12,006,628	12,361,664
New Hampshire Medicaid enhancement tax (note 3)	10,483,866	10,485,391
Interest	2,029,778	2,309,589
Total operating expenses	190,363,290	192,976,175
Income from operations	11,728,732	26,346,195
Nonoperating gains (losses):		
Unrestricted contributions	43,802	50,898
Investment income and dividends (note 7)	1,850,487	1,844,098
Realized gains (losses) on investments (note 7)	3,084,166	(3,053,315)
Unrealized (losses) gains on investments (note 7)	(4,535,001)	10,033,175
Impact of interest rate swaps (note 6)	(3,777,747)	(4,621,247)
Contributions to community programs (note 11)	(1,270,200)	(1,298,615)
Other	91,262	(15,536)
Nonoperating (losses) gains, net	(4,513,231)	2,939,458
Excess of revenues, support and nonoperating gains (losses) over expenses	7,215,501	29,285,653
Net transfers to affiliates (note 10)	(15,063,668)	(14,924,939)
Adjustment to pension liability (note 9)	6,235,047	1,058,775
(Decrease) increase in unrestricted net assets	$ (1,613,120)	$ 15,419,489

See accompanying notes.

EXETER HOSPITAL, INC.

STATEMENTS OF CHANGES IN NET ASSETS

Years Ended September 30, 2011 and 2010

	Unrestricted Net Assets	Temporarily Restricted Net Assets	Permanently Restricted Net Assets	Total Net Assets
Balances at October 1, 2009	$ 144,162,401	$ 260,877	$ 16,769,321	$161,192,599
Excess of revenues, support and non-operating gains (losses) over expenses	29,285,653	–	–	29,285,653
Restricted gifts, bequests and contributions	–	37,433	–	37,433
Adjustment to pension liability	1,058,775	–	–	1,058,775
Net transfers to affiliates	(14,924,939)	–	–	(14,924,939)
Net assets released from restrictions used for operations	–	(4,366)	–	(4,366)
Increase in net assets	15,419,489	33,067	–	15,452,556
Balances at September 30, 2010	159,581,890	293,944	16,769,321	176,645,155
Excess of revenues, support and non-operating gains (losses) over expenses	7,215,501	–	–	7,215,501
Restricted gifts, bequests and contributions	–	49,281	–	49,281
Adjustment to pension liability	6,235,047	–	–	6,235,047
Net transfers to affiliates	(15,063,668)	–	–	(15,063,668)
Net assets released from restrictions used for operations	–	(111,424)	–	(111,424)
Decrease in net assets	(1,613,120)	(62,143)	–	(1,675,263)
Balances at September 30, 2011	$ 157,968,770	$ 231,801	$ 16,769,321	$174,969,892

See accompanying notes.

EXETER HOSPITAL, INC.

STATEMENTS OF CASH FLOWS

Years Ended September 30, 2011 and 2010

	2011	2010
Operating activities and net gains:		
(Decrease) increase in net assets	$ (1,675,263)	$ 15,452,556
Adjustments to reconcile (decrease) increase in net assets to net cash provided by operating activities and net gains (losses):		
Depreciation and amortization	12,091,844	12,449,352
Net realized and unrealized losses (gains) on investments	1,450,835	(6,979,860)
Restricted gifts, bequests, and contributions	(49,281)	(37,433)
Net transfers to affiliates	15,063,668	14,924,939
Adjustment to pension liability	(6,235,047)	(1,058,775)
Adjustment of interest rate swaps to fair value	2,903,636	4,050,723
Changes in operating assets and liabilities:		
Accounts receivable, net	874,797	2,269,832
Inventories	(116,327)	(18,808)
Amounts due from related entities	300,070	(2,016,835)
Other current and noncurrent assets	(1,835,651)	194,755
Accounts payable and accrued interest	3,974,691	(2,986,426)
Accrued salaries and payroll taxes	(124,912)	584,141
Accrued pension and other liabilities	(220,613)	1,243,010
Due to third-party payors	1,627,831	(1,564,433)
Net cash provided by operating activities and net gains (losses)	28,030,278	36,506,738
Investing activities:		
Acquisition of property, plant and equipment, net of disposals	(7,399,697)	(7,079,036)
(Increase) decrease in funds held by trustee under revenue bond agreement	(3,143,803)	306,730
Net purchases of investments	(1,965,105)	(1,752,666)
Decrease in short-term investments	17,434,844	722,753
Net cash provided (used) by investing activities	4,926,239	(7,802,219)
Financing activities:		
Repayment of long-term debt	(1,809,313)	(1,923,037)
Net transfers to affiliates	(15,063,668)	(14,924,939)
Restricted gifts, bequests, and contributions	49,281	37,433
Net cash used by financing activities	(16,823,700)	(16,810,543)
Increase in cash and cash equivalents	16,132,817	11,893,976
Cash and cash equivalents at beginning of year	39,926,892	28,032,916
Cash and cash equivalents at end of year	$ 56,059,709	$ 39,926,892

See accompanying notes.

1. Organization

Exeter Hospital, Inc. (the Hospital) is a not-for-profit acute care hospital which primarily serves residents of New Hampshire. The Hospital is controlled by Exeter Health Resources, Inc. (Resources), a not-for-profit corporation which functions as the parent company to the Hospital.

2. Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates are used when accounting for the allowance for doubtful accounts, long-lived assets, insurance costs, employee benefit plans, contractual allowances, third-party payor settlements and contingencies. It is reasonably possible that actual results could differ from those estimates.

Classification of 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 by the Hospital 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 in the statement of operations 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 by the Hospital in perpetuity. The Hospital appropriates all earnings on these funds to offset the costs of patient care activities according to the intent of the donor. Income earned on permanently restricted net assets, including net realized appreciation on investments, is included in the statement of operations as unrestricted resources.

In accordance with the *Uniform Prudent Management of Institutional Funds Act* (UPMIFA), the Hospital 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.

Performance Indicator

For purposes of display, transactions deemed by management to be ongoing, major or central to the provision of health care services are reported as operating revenue and expenses. Peripheral transactions are reported as nonoperating gains or losses.

2. Significant Accounting Policies (Continued)

The statement of operations also includes excess of revenues, support and nonoperating gains (losses) over expenses. Changes in unrestricted net assets which are excluded from excess of revenues, support and nonoperating gains (losses) over expenses, consistent with industry practice, include net assets released from restrictions for capital purchases, pension liability adjustments, and transfers to affiliates.

Income Taxes

The Hospital is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code, and is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. Management evaluated the tax positions of the Hospital and has concluded that it has maintained its tax-exempt status, does not have any significant unrelated business income, and has taken no uncertain tax positions that require adjustment to the financial statements.

With few exceptions, the Hospital is no longer subject to income tax examination by the U.S. federal or state tax authorities for years before 2008.

Net Patient Service Revenues

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates and also provides a discount for patients without insurance from these rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges and per diem payments. 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.

Charity Care

The Hospital has a formal charity care policy under which patient care is provided without charge or at amounts less than its established rates to patients who meet certain criteria. The Hospital rendered charity care in accordance with its formal charity care policy. The Hospital does not pursue collection of amounts determined to qualify as charity care, and therefore such amounts are not reported as revenue.

The Hospital determines the costs associated with providing charity care by calculating a ratio of cost to gross charges, and then multiplying that ratio by the gross uncompensated charges associated with providing care to patients eligible for free care. The costs of caring for charity care patients for the years ended September 30, 2011 and 2010 were $4,990,463 and $3,848,220, respectively. There were no funds received from gifts and grants to subsidize charity care services provided for the years ended September 30, 2011 or 2010.

2. Significant Accounting Policies (Continued)

Cash and Cash Equivalents

Cash and cash equivalents include short-term investments and secured repurchase agreements which have an original maturity of three months or less when purchased.

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.

Accounts Receivable and the Allowance for Doubtful Accounts

Accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectability of accounts receivable, the Hospital analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. For receivables associated with services provided to patients who have third-party coverage, the Hospital analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payor has not yet paid. For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Hospital records a significant provision for bad debts in the period of service on the basis of its past experience, which accounts for patients who are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the discounted rates and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

Inventories

Inventories of supplies and pharmaceuticals are carried at the lower of cost determined on a first-in, first-out method or market.

Funds Held by Trustee Under Revenue Bond Agreements

Funds held by trustee under revenue bond and interest rate swap collateral asset agreements are recorded at fair value and are comprised of short-term investments, guaranteed investment contracts and United States Government obligations.

Investments and Investment Income

Investments are measured at fair value in the balance sheets. Investment income or loss (including realized and unrealized gains and losses on investments, and interest and dividends) is included in the excess of revenues, support and nonoperating gains (losses) over expenses as the Hospital has elected to reflect changes in fair value of investments and investments limited as to use in nonoperating gains, including both increases and decreases in value whether realized or unrealized, unless the income or loss is restricted by donor or law, in which case it would be reported as a change in temporarily or permanently restricted net assets.

2. Significant Accounting Policies (Continued)

Endowment, Investment and Spending Policies

The Hospital has adopted the investment policy for the management and investment of board designated and endowment funds as approved by the Executive Committee (the Committee) of the Exeter Health Resources Board of Trustees. The Committee has adopted a five year investment horizon for the board designated and endowment funds such that the changes and duration of investment losses are carefully weighed against the long term potential for appreciation of assets. The investment policy will, however, be reviewed whenever there are material changes to the organization's financial forecasts.

The goal of the board designated and endowment funds is to support the Hospital's future capital expenditures and other major program needs and to generally increase the financial strength of the organization.

Under the investment policy, the board designated and endowment funds are invested in a prudent manner with regard to preserving principal in real terms while achieving returns which at least rank in the top one-quarter of an appropriate peer group of actively managed portfolios, exceed an appropriate benchmark index (net of management fees) and rank in the top one-quarter of the Cambridge Associates Universe of comparable managers (where appropriate).

Property, Plant and Equipment

Property, plant and equipment is stated at cost at time of purchase, or fair value at time of donation, less reductions in carrying value based upon impairment and less accumulated depreciation. The Hospital's policy is to capitalize expenditures for major improvements and charge maintenance and repairs as expenditures which do not extend the lives of the related assets. The provision for depreciation is computed on the straight-line method at rates intended to amortize the cost of the related assets over their estimated useful lives. Assets which have been purchased but not yet placed in service are included in construction and projects in progress and no depreciation expense is recorded.

Bond Issuance Costs/Original Issue Discount

The bond issuance costs incurred to obtain financing for construction and renovation programs and the original issue discount are being amortized by the bonds outstanding method over the life of the bonds. Bond issuance costs are included in other assets. The original issue discount is presented as a reduction of the face amount of bonds payable.

Fair Value of Financial Instruments

The fair value of financial instruments is determined by reference to various market data and other valuation techniques as appropriate. Financial instruments consist of cash and cash equivalents, investments, accounts receivable, assets limited as to use or restricted, accounts payable, estimated third-party payor settlements and long-term debt.

2. **Significant Accounting Policies (Continued)**

The fair value of all financial instruments other than long-term debt approximates their relative book value as these financial instruments have short-term maturities or are recorded at fair value. See note 8. The fair value of the Hospital's long-term debt is estimated using discounted cash flow analyses, based on the Hospital's current incremental borrowing rates for similar types of borrowing arrangements, and is disclosed in note 6.

Pension Plan

The Hospital participates in the pension plan of Resources. Resources has a contributory account balance defined benefit plan which covers substantially all employees. Resources' funding policy is to contribute annually at a rate intended to provide for the cost of benefits earned during the year determined in accordance with funding requirements of the Department of Labor. The plan benefits are based on the employee's annual compensation during the term of employment. For financial reporting purposes, an allocation of the projected benefit obligation, the fair value of plan assets, the funded status of the plan, and benefit costs is made by an independent actuary based upon former and current employees of the Hospital covered by the plan.

Employee Fringe Benefits

The Hospital has an earned time plan. Under this plan, each employee earns paid leave for each period worked. These hours of paid leave may be used for vacations, holidays or illnesses. Hours earned but not used are vested with the employee and are paid to the employee upon termination. The Hospital accrues a liability for such paid leave as it is earned.

Professional Liability Loss Contingencies

Effective December 11, 2003, Resources created a revocable self-insurance trust to fund the related actuarially-determined liability for incurred but unpaid claims. The Hospital pays malpractice premiums to Resources to fund its share of the liability. The possibility exists, as a normal risk of doing business, that professional liability claims in excess of the trust fund and insurance coverage may be asserted against Resources and the Hospital.

Subsequent Events

Management of the Hospital evaluated events occurring between the end of its fiscal year and December 14, 2011, the date the financial statements were available to be issued.

Reclassifications

Certain 2010 amounts have been reclassified to conform with the current year presentation.

2. Significant Accounting Policies (Continued)

Recent Accounting Pronouncements

In July 2011, the Financial Accounting Standards Board (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 ending after December 15, 2012, 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 Hospital's balance sheets, statements of operations or cash flows.

In August 2010, the FASB issued ASU No. 2010-23, *Health Care Entities (Topic 954), Measuring Charity Care for Disclosure* (ASU 2010-23), which provides that cost be used as a measurement for charity care disclosure purposes and that cost be identified as the direct and indirect cost of providing the charity care. It also requires disclosure of the method used to identify or determine such costs. The Hospital adopted ASU 2010-23 effective for the year ending September 30, 2011. Since ASU 2010-23 amends disclosure requirements only, its adoption did not impact the Hospital's balance sheets, statements of operations or cash flows.

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 fiscal year ending September 30, 2012. Management does not expect that the impact of this pronouncement will be significant to the Hospital's balance sheets, statements of operations or cash flows.

3. Net Patient Service Revenues

The following summarizes net patient service revenues for the years ended September 30, 2011 and 2010:

	2011	2010
Gross patient revenues	$ 369,597,575	$ 386,145,631
Less contractual allowances	(178,670,442)	(179,427,392)
Net patient service revenues	$ 190,927,133	$ 206,718,239

3. Net Patient Service Revenues (Continued)

The Hospital maintains contracts with the Social Security Administration (Medicare) and the State of New Hampshire Division of Health and Human Services (Medicaid). The Hospital is paid a prospectively determined fixed price for Medicare and Medicaid inpatient acute care services depending on the patient's diagnostic related group classification. Medicare's payment methodology for outpatient services is based upon a prospective standard rate for procedures performed or services rendered. Capital costs and certain Medicaid outpatient services are also reimbursed on a prospectively determined fixed price. The Hospital receives payment for other Medicaid outpatient services on a reasonable cost basis which are settled with retroactive adjustments upon completion and audit of related cost finding reports. The percentage of net patient service revenue earned from the Medicare and Medicaid programs (excluding disproportionate share payments) was 30% and 1%, respectively, in 2011 and 28% and 1%, respectively, in 2010.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. Compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action including fines, penalties and exclusion from the Medicare and Medicaid programs. The Hospital believes that it is in substantial compliance with all applicable laws and regulations. There is at least a reasonable possibility that recorded estimates could change by a material amount in the near term. Differences between amounts previously estimated and amounts subsequently determined to be recoverable or payable are included in net patient service revenues in the year that such amounts become known. The differences between amounts previously estimated and amounts subsequently determined to be recoverable from third-party payors was not significant in 2011 and increased net patient service revenues by approximately $1,135,000 in 2010.

The Hospital also maintains contracts with Anthem Health Plans of New Hampshire (Anthem) and various other payors which pay the Hospital for services based on charges with varying discounts.

Medicaid Enhancement Tax and Medicaid Disproportionate Share

Under the State of New Hampshire's (the State) tax code, the State imposes a Medicaid enhancement tax (MET) equal to 5.5% of the Hospital's net patient service revenues, with certain exclusions. The amount of tax recognized by the Hospital for the fiscal years ended September 30, 2011 and 2010 was $10,483,866 and $10,485,391, respectively. Prior to July 2010, this tax was offset by disproportionate share payments of identical amounts to the Hospital and other New Hampshire hospitals.

The State also administers a disproportionate share funding (DSH) program. For years prior to 2010, the DSH payment to the Hospital equaled the Medicaid enhancement tax for the year. Recently, in connection with a federal government audit of the State's 2004 fiscal year, it was indicated that the State's DSH approach was not in compliance with federal regulations and, as a result, a $35.8 million payment is required from the State to the federal payor. The amount of DSH revenue recognized by the Hospital for fiscal 2011 and 2010 was $7,417,253 and $10,485,391, respectively.

3. Net Patient Service Revenues (Continued)

As part of the State's biennial budget process for the two-year period ending June 30, 2013, it eliminated disproportionate share payments to certain New Hampshire hospitals, including Exeter Hospital. As a result, commencing July 1, 2011, the Hospital will pay the State's MET based on 5.5% of net patient service revenues, but will not receive disproportionate share payments.

In response to the State's actions, the Hospital and several other New Hampshire hospitals have collectively filed a lawsuit against the State. The outcome of the lawsuit, as well as the future impact on the Hospital is uncertain at the date of these financial statements.

In addition, the Hospital has amended MET returns for fiscal years 2008 through 2010 based upon guidance from the Centers for Medicare and Medicaid Services (CMS) that certain exclusions can be deducted from net patient service revenues. The State disagrees with the CMS guidance and has indicated its intent to audit the amended returns. The outcome of the amended returns and related audits is uncertain at the date of these financial statements.

4. Concentration of Credit Risk

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

	2011	2010
Medicare	12%	8%
Medicaid	1	2
Other third party payors	43	45
Patients	44	45
	100%	100%

The Centers for Medicare and Medicaid Services (CMS) Electronic Health Records (EHR) incentive programs provide a financial incentive for the "meaningful use" of certified EHR technology to achieve health and efficiency goals. To qualify for incentive payments, eligible organizations must successfully demonstrate meaningful use of certified EHR technology every year they participate in the program. In September 2011, the Hospital filed its meaningful use attestation with CMS. Revenue totaling approximately $1,500,000 associated with this meaningful use attestation was recorded as other revenue for the year ended September 30, 2011. The Hospital's receivable for this payment due from CMS is included in prepaid expenses and other assets and totaled $1,500,000 at September 30, 2011. CMS paid the full amount in November 2011.

5. Property, Plant and Equipment

Property, plant and equipment at September 30 consists of the following:

	2011	2010
Land and land improvements	$ 3,295,302	$ 3,084,032
Buildings	86,184,513	85,331,969
Equipment	49,983,169	50,738,977
Construction and projects in progress	1,573,685	1,770,782
	141,036,669	140,925,760
Less accumulated depreciation	(63,770,473)	(59,052,582)
Net property, plant and equipment	$ 77,266,196	$ 81,873,178

6. Long-Term Debt

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

	2011	2010
New Hampshire Health and Education Facilities Authority (the Authority) - Revenue Bonds:		
Series 2001A bonds with interest ranging from 5.0% to 6.0% per year and principal payable in annual installments ranging from $940,000 to $2,880,000 through October 1, 2031. The bonds may be redeemed in whole or in part on or after October 1, 2011 at a premium which is not to exceed 1% of the bonds redeemed	$36,080,000	$36,975,000
Series 2001B bonds with a variable interest rate computed based on a weekly floater rate as determined in the agreement (currently 0.06% to 0.34% at September 30, 2011). Principal is payable in annual installments ranging from $476,006 to $760,916 through October 2023	7,772,456	8,206,769
Series 2003 bonds with a variable interest rate computed based on a weekly floater rate as determined in the agreement (currently 0.06% to 0.36% at September 30, 2011). Principal is payable in annual installments ranging from $500,000 to $1,125,000 through October 1, 2033	17,765,000	18,245,000
Less unamortized original issue discount	(453,655)	(490,453)
	61,163,801	62,936,316
Less current portion	(1,916,006)	(1,809,313)
	$59,247,795	$61,127,003

6. **Long-Term Debt (Continued)**

In December 2001, the Hospital, in connection with the Authority, issued $41,560,000 of tax-exempt revenue bonds (Series 2001A). In addition, in conjunction with Exeter Healthcare, Inc. (Healthcare), the Hospital also issued $18,800,000 of tax exempt revenue bonds (Series 2001B), of which $13,064,120 was specifically allocated to the Hospital. Under the terms of the loan agreements, the Hospital and Healthcare have granted the Authority a first security interest in all gross receipts and a mortgage lien on existing and future property, plant and equipment. The proceeds of the Series 2001A bonds were used to finance the renovation and expansion projects on the Hospital campus. Proceeds from the Series 2001B bonds were used to advance refund revenue bonds issued in 1993.

The Series 2001B bonds are subject to remarketing from time to time. To enhance the marketability of the bonds and in order to provide the availability of funds for the payment of the tendered bonds, the Authority has provided for the remarketing of the bonds. To the extent that the remarketing may not be successful, the Authority, the Hospital and Healthcare have provided for the purchase of such bonds by entering into a Letter of Credit Reimbursement Agreement (the Agreement) with a bank. Under the Agreement, the bank will purchase Series 2001B bonds that have been tendered and not remarketed. Amounts advanced under the Agreement and not reimbursed to the bank by the thirtieth day will automatically be converted into a term loan to the Hospital and Healthcare. The term loan will be amortized over a period equal to one-half the remaining original amortization of the Series 2001B bonds. The letter of credit also secures the Series 2001B bonds which allows the Trustee to draw up to $11,344,348 for repayment of principal and interest on the Series 2001B bonds. Drawings on the letter of credit will bear interest ranging from the bank's base rate to the bank's base rate plus 1%. The letter of credit expires on November 19, 2013, and may be extended by the parties.

In November 2003, the Hospital, in connection with the Authority, issued $20,000,000 of tax-exempt revenue bonds (Series 2003). Under the terms of the loan agreement, the Hospital has granted the Authority a first security interest in all gross receipts and a mortgage lien on existing and future property, plant and equipment which is on parity with the lien securing the Authority's 2001A and 2001B Series Bonds. The proceeds of the Series 2003 bonds were used to finance renovation and expansion projects on the Hospital campus.

The Series 2003 bonds are subject to remarketing from time to time. To enhance the marketability of the bonds and in order to provide the availability of funds for the payment of tendered bonds, the Authority has provided for the remarketing of the bonds. To the extent that the remarketing may not be successful, the Authority and the Hospital have provided for the purchase of such bonds by entering into a Letter of Credit Reimbursement Agreement (the Agreement) with a bank. Under the Agreement, the bank will purchase the Series 2003 bonds that have been tendered and not remarketed. Amounts advanced under the Agreement and not reimbursed to the bank by the thirtieth day will automatically be converted into a term loan to the Hospital. The term loan will be amortized over a period equal to one-half the remaining original amortization of the Series 2003 bonds. The letter of credit also secures the Series 2003 bonds which allows the Trustee to draw up to $18,018,090 for repayment of principal and interest on the Series 2003 bonds. Drawings on the letter of credit will bear interest ranging from the bank's base rate to the bank's base rate plus 1%. The letter of credit expires on November 19, 2013, and may be extended by the parties.

No amounts have been drawn on either letter of credit agreement at September 30, 2011.

6. Long-Term Debt (Continued)

The Hospital and Healthcare have an agreement with the Authority which provides for the establishment of various funds, the use of which is generally restricted to the payment of debt. These funds are administered by a trustee and income earned on certain of these funds is similarly restricted. The funds held by the trustee under the revenue bond and interest rate swap collateral asset agreements at September 30 are comprised of the following:

	2011	2010
Debt service principal fund	$1,916,334	$1,809,700
Debt service interest fund	1,052,029	1,074,853
Debt service reserve fund	3,045,848	3,045,855
Collateralized swap fund	3,060,000	-
	$9,074,211	$5,930,408

Aggregate annual principal payments required on long-term debt for the five years ending September 30 are as follows:

2012	$1,916,006
2013	1,977,532
2014	2,073,379
2015	2,179,226
2016	2,198,548

In July 2003, the Hospital and Healthcare entered into an interest rate swap agreement effectively converting $10,423,500 of Series 2001B bonds to a fixed-rate basis of 2.273%. The swap terminated in July 2010. In January 2004, the Hospital and Healthcare entered into a second interest rate swap agreement effectively converting $10,000,000 of Series 2003 bonds to a fixed rate basis of 3.115% through January 2011.

In August 2005, the Hospital and Healthcare entered into an interest rate swap agreement that effectively converted the remaining Series 2001B bonds, excluding the approximate $4.6 million allocated to Healthcare, to a fixed rate through 2033 and also effectively converted the portion of the Series 2001B bonds previously swapped and all of the Series 2003 bonds to a fixed rate of 3.635% through October 2033.

In anticipation of an advance refunding of a portion of the Series 2001A bonds during fiscal 2012 and issuing new variable rate bonds, the Hospital and Healthcare entered into a forward interest rate swap agreement in August 2005, to be effective October 2011, that effectively converts $32,825,000 of anticipated variable rate debt to a fixed rate of 3.708% through October 2031. This swap agreement requires a portion of the exposure to be collateralized by the Hospital. At September 30, 2011, there was a collateral asset in the amount of $3,060,000 required by the swap agreement included in current portion of funds held by trustee under revenue bond agreements.

6. Long-Term Debt (Continued)

The interest rate swap agreements meet the definition of derivative instruments. Consequently, the fair value of the swaps (a liability of $12,267,751 and $9,072,078 at September 30, 2011 and 2010, respectively) is reported in accrued pension and other liabilities in the accompanying balance sheets and the change in fair value of $2,903,636 in 2011 and $4,050,723 in 2010 is reported as nonoperating losses in the statements of operations. On a monthly basis, the Hospital pays or receives the difference between the fixed and variable rates as applied to the notional amount. The resulting difference is charged to nonoperating losses. Such other charges totaled $874,111 and $570,524 for the fiscal years ended September 30, 2011 and 2010, respectively. The swaps, while serving as economic hedges, do not qualify as accounting hedges.

Total interest paid on long-term debt was $2,164,257 and $2,218,208 for the years ended September 30, 2011 and 2010, respectively. No capitalized interest was recorded for the years ended September 30, 2011 and 2010.

The fair value of long-term debt approximates carrying value at September 30, 2011 and 2010, respectively.

7. Investments and Assets Whose Use is Limited

Investments are stated at fair value as of September 30, 2011 and 2010, and are reported in the accompanying balances sheet, as follows:

	2011	2010
Short-term investments	$ 197,426	$ 17,632,270
Funds held by trustee – current	6,028,363	2,884,553
Investments	110,456,936	109,942,666
Funds held by trustee – long term	3,045,848	3,045,855
	$119,728,573	$133,505,344

The composition of investments and funds held by trustee at September 30, 2011 and 2010 is set forth in the following table:

	Cost 2011	Fair Value 2011	Cost 2010	Fair Value 2010
Cash and short-term investments	$ 9,560,012	$ 9,560,012	$ 33,077,715	$ 33,077,715
Fixed income securities	34,019,038	35,349,200	28,742,188	30,247,063
Marketable equity securities	39,601,483	40,650,874	26,294,316	29,706,519
Investments in limited partnerships, limited liability companies and offshore funds	27,209,806	33,593,566	33,039,508	41,420,742
Accrued interest and other	574,921	574,921	(946,695)	(946,695)
	$110,965,260	$119,728,573	$120,207,032	$133,505,344

7. Investments and Assets Whose Use is Limited (Continued)

Board designated and donor restricted investments at September 30, 2011 and 2010 are comprised of the following:

	2011	2010
Board designated for capital purchases, working capital and community service	$ 93,455,814	$ 92,879,401
Donor restricted	17,001,122	17,063,265
	$110,456,936	$109,942,666

Unrestricted investment income, and realized and unrealized gains (losses) on investments for the years ended September 30, 2011 and 2010 are summarized as follows:

	2011	2010
Interest and dividend income	$ 1,850,487	$ 1,844,098
Realized gain (loss) on sale of investments	3,084,166	(3,053,315)
Unrealized (loss) gain on investments	(4,535,001)	10,033,175
Investment income and gains (losses), net	$ 399,652	$ 8,823,958

8. Fair Value Measurements

FASB ASC 820, *Fair Value Measurements and Disclosures,* provides a framework for measuring fair value under generally accepted accounting principles. FASB ASC 820 defines fair value, establishes a framework for measuring fair value under generally accepted accounting principles and enhances disclosures about fair value measurements.

As defined in FASB ASC 820, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Hospital uses various methods including market, income and cost approaches. Based on these approaches, the Hospital often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Hospital utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Hospital is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

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.

8. 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 Hospital performs a detailed analysis of the assets and liabilities that are subject to FASB ASC 820. 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.

For the fiscal years ended September 30, 2011 and 2010, the application of valuation techniques applied to similar assets and liabilities has been consistent. The following is a description of the valuation methodologies used:

Fixed Income Investments (Debt Securities)

The fair value for debt instruments is determined by using broker or dealer quotations, external pricing providers, or alternative pricing sources with reasonable levels of price transparency. The Hospital mainly holds corporate bonds, municipal bonds, and U.S. governmental and federal agency debt instruments, which are generally classified as Level 1 within the fair value hierarchy.

Marketable Equity Securities

Marketable equity securities, including certain mutual funds, are valued either based on stated market prices and at the net asset value of shares held by the Hospital at year end, if available, or for investments that are not actively traded in a securities exchange, the fair value is stated at the value of proportionate share of total fund net assets. Underlying plan investments within these funds are readily available and stated at quoted market prices, which generally results in the classification as Level 1 or 2 within the fair value hierarchy.

8. Fair Value Measurements (Continued)

Alternative Investments and Inflation Hedging

The Hospital invests in alternative investments that consist of certain limited partnership interests in investment funds, which, in turn, invest in diversified portfolios predominantly comprised of equity and fixed income securities, as well as options, futures contracts, and some other less liquid investments. Management has approved procedures pursuant to the methods in which the Hospital values these investments at fair value, which ordinarily will be the amount equal to the pro-rata interest in the net assets of the limited partnership, as such value is supplied by, or on behalf of, each investment from time to time, usually monthly and/or quarterly by the investment manager. These investments are classified as Level 2 or 3, depending on the nature of the underlying assets and valuation methodologies used as reported by the fund managers.

Hospital management is responsible for the fair value measurements of investments reported in the financial statements. Such amounts are generally determined using audited financial statements of the funds and/or recently settled transactions. Because of inherent uncertainty of valuation of certain alternative investments, the estimate of the fund manager or general partner may differ from actual values, and differences could be significant Management believes that reported fair values of its alternative investments at the balance sheet dates are reasonable.

Fair Value on a Recurring Basis

The following presents the balances of assets and liabilities measured at fair value on a recurring basis at September 30, 2011 and 2010:

2011	Total	Level 1	Level 2	Level 3
Assets:				
Cash and short-term investments	$ 9,560,012	$ 9,560,012	$ –	$ –
Fixed income	35,349,200	35,349,200	–	–
U.S. equities	18,612,227	11,217,207	7,395,020	–
International equities:				
Developed markets	12,829,316	6,854,104	5,975,212	–
Emerging markets	5,587,719	5,587,719	–	–
Inflation hedging	12,353,667	–	12,353,667	–
Alternative investments	24,861,511	–	–	24,861,511
Accrued interest and other	574,921	574,921	–	–
	$119,728,573	$69,143,163	$25,723,899	$24,861,511
Liabilities:				
Interest rate swap agreements	$ 12,267,751	$ –	$ –	$12,267,751

8. Fair Value Measurements (Continued)

2010	Total	Level 1	Level 2	Level 3
Assets:				
Cash and short-term investments	$ 33,077,715	$33,077,715	$ –	$ –
Fixed income	30,247,063	30,247,063	–	–
U.S. equities	20,199,956	9,791,671	10,408,285	–
International equities:				
Developed markets	16,320,218	8,388,953	7,931,265	–
Emerging markets	3,861,228	3,861,228	–	–
Inflation hedging	7,664,692	–	7,664,692	–
Alternative investments	23,081,168	–	–	23,081,168
Accrued interest and other	(946,696)	(946,696)	–	–
	$133,505,344	$84,419,934	$26,004,242	$23,081,168
Liabilities:				
Interest rate swap agreements	$ 9,072,078	$ –	$ –	$ 9,072,078

All of the Hospital's Level 3 investments consist of so called alternative investments, which total $24,861,511 and $23,081,168 at September 30, 2011 and 2010, respectively. The alternative investments consist of interests in funds that are not publicly traded, such as hedge funds.

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 balance sheets and statements of operations.

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

	Interest Rate Swaps		Investments and Assets Limited as to Use	
	2011	2010	2011	2010
Beginning balance	$ (9,072,078)	$ (5,021,355)	$23,081,168	$20,201,202
Realized gains (losses)	–	–	1,142,497	(17,717)
Unrealized gains (losses)	–	–	(1,462,469)	1,530,926
Purchases	–	–	4,823,299	1,607,766
Withdrawals	–	–	(2,723,032)	(261,634)
Other	(292,037)	–	48	20,625
Change in fair value of interest rate swaps	(2,903,636)	(4,050,723)	–	–
	$(12,267,751)	$(9,072,078)	$24,861,511	$23,081,168

8. Fair Value Measurements (Continued)

Net Assets Value Per Share

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 alternative investments valued based on net asset value to further understand the nature and risk of the investments by category at September 30, 2011 and 2010:

Investment	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
2011:				
Global equity funds	$ 699,776	$ –	Liquid	N/A
Global equity funds	14,181,937	–	Quarterly	30 – 90 days
Global equity funds	9,979,798	–	Annually	30 – 60 days
2010:				
Global equity funds	$ 738,751	$ –	Liquid	N/A
Global equity funds	12,266,583	–	Quarterly	30 – 90 days
Global equity funds	10,075,834	–	Annually	30 – 60 days

The Hospital's global equity funds consist of funds which invest in a wide variety of equity securities issued throughout the world. The fair value of the investments in this category has been estimated using the net asset value per share of the funds.

Investment Strategies

Fixed Income Investments (Debt Instruments)

The primary purpose of fixed income investments is to provide a highly predictable and dependable source of income, preserve capital, and reduce the volatility of the total portfolio and hedge against the risk of deflation or protracted economic contraction.

Marketable Equity Securities

The primary purpose of the domestic and non-U.S. equity investments is to provide appreciation of principal and growth of income with the recognition that this requires the assumption of greater market volatility and risk of loss. The total equity portion of the portfolio will be broadly diversified according to economic sector, industry, number of holdings and other characteristics including style and capitalization. The Hospital may employ multiple equity investment managers, each of whom may have distinct investment styles. Accordingly, while each manager's portfolio may not be fully diversified, it is expected that the combined equity portfolio will be broadly diversified.

8. Fair Value Measurements (Continued)

Alternative Investments and Inflation Hedging

The primary purpose of alternative investments is to provide further portfolio diversification and to reduce overall portfolio volatility by investing in strategies that are less correlated with traditional equity and fixed income investments. Alternative investments may provide access to strategies otherwise not accessible through traditional equities and fixed income such as derivative instruments, real estate, distressed debt and private equity and debt.

Fair Value of Other Financial Instruments

The following methods and assumptions were used by the Hospital in estimating the "fair value" of other financial instruments in the accompanying financial statements and notes thereto:

Cash and cash equivalents: The carrying amounts reported in the accompanying balance sheets for these financial instruments approximate their fair values.

Accounts receivable and accounts payable: The carrying amounts reported in the accompanying balance sheets approximate their respective fair values due to the short maturities of these instruments.

Long-term debt: The fair value of the notes payable and long-term debt, as disclosed in Note 6, was calculated based upon discounted cash flows through maturity based on market rates currently available for borrowing with similar maturities.

Interest rate swap agreements: The valuation of the interest rate swap agreements is estimated by a third-party based on the anticipated cash flows under the swap agreements over their duration at market interest rates.

9. Pension Plan

A reconciliation of the changes in the Hospital's projected benefit obligation and the fair value of plan assets and a statement of funded status of the plan as of and for the years ended September 30, 2011 and 2010 are as follows:

	2011	2010
Changes in benefit obligations:		
Projected benefit obligations, beginning of period	$55,354,402	$ 49,687,282
Service cost	2,727,238	2,351,925
Interest cost	2,850,096	2,769,029
Benefits paid	(1,570,139)	(1,915,668)
Contributions by employees	1,511,048	1,508,470
Actuarial (gain) loss	(8,587,232)	953,364
Projected benefit obligations, end of period	$52,285,413	$ 55,354,402

9. **Pension Plan (Continued)**

	2011	2010
Changes in plan assets:		
Fair value of plan assets, beginning of period	$40,038,177	$ 34,547,650
Actual return on plan assets	(425,403)	3,067,639
Contributions by plan sponsor	4,430,856	3,042,044
Contributions by employees	1,511,048	1,508,470
Benefits paid	(1,570,139)	(1,915,668)
Expenses paid	(222,968)	(211,958)
Fair value of plan assets, end of period	$43,761,571	$ 40,038,177
Net pension liability	$(8,523,842)	$(15,316,225)

Amounts recognized as an adjustment to unrestricted net assets consist of the following at September 30:

	2011	2010
Prior service cost	$ 2,257,486	$ 2,555,020
Net actuarial loss	13,538,440	19,472,495
	$15,795,926	$22,027,515

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

	2011	2010
Discount rate	5.50%	5.25%
Rate of increase in future compensation levels	3.50%	5.00%

The accumulated benefit obligation as of the Plan's measurement date of September 30, 2011 and 2010 was $48,337,865 and $51,175,145, respectively. A change in mortality assumptions in 2011 contributed to the actuarial gain impacting the projected benefit obligation.

Net periodic pension cost includes the following components for the years ended September 30, 2011 and 2010:

	2011	2010
Service cost, including administrative expense	$ 2,940,638	$ 2,575,163
Interest cost on projected benefit obligation	2,850,096	2,769,029
Expected return on plan assets	(3,271,649)	(2,762,081)
Amortization of actuarial loss	1,053,443	1,409,272
Amortization of prior service cost	297,534	297,534
	$ 3,870,062	$ 4,288,917

9. **Pension Plan (Continued)**

The weighted-average assumptions used to determine net periodic benefit cost as of September 30, 2011 and 2010 are as follows:

	2011	2010
Discount rate	5.25%	5.75%
Rate of increase in future compensation levels	5.00%	5.00%
Expected long-term rate of return on plan assets	8.00%	8.00%

Plan Assets

The primary investment objective of the Hospital's Retirement Plan is to provide pension benefits for its members and their beneficiaries by ensuring a sufficient pool of assets to meet the Plan's current and future benefit obligations. These funds are managed as permanent funds with disciplined longer-term investment objectives and strategies designed to meet cash flow requirements of the plan. Funds are managed in accordance with ERISA and all other regulatory requirements.

Management of plan assets is designed to maximize total return while preserving the capital values of the fund, protecting the fund from inflation, and providing liquidity as needed for plan benefits. The objective is to provide a rate of return that meets inflation plus 5%, over a long-term horizon.

The Plan aims to diversify its holdings among sectors, industries and companies. No more than 5% of the total stock portfolio valued at market may be invested in the common stock of any one corporation. No more than 5% of the outstanding shares of any one company may be held. No more than 20% of stock valued at market may be held in any one industry category as defined in the Standard & Poor's S&P 500 index. Fixed income securities of any one issuer shall not exceed 5% of the total bond portfolio at the time of purchase. Holdings of any individual issue must be 50% or less of the value of the total issue, excluding U.S. Treasury or other federal agencies or repurchase agreements involving such issues.

A periodic review is performed of the pension plan's investment in various asset classes. The current asset allocation target is 80% equities with an allowable range of 50% to 80%, and 20% fixed income with an allowable range of 20% to 50%.

9. **Pension Plan (Continued)**

The fair values of the Hospital's pension plan assets at September 30, 2011 and 2010, by asset category are as follows (see Note 8 for level definitions):

2011	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 1,455,051	$ –	$ –	$ 1,455,051
Accrued interest and other	446,859	–	–	446,859
Mutual funds:				
Foreign	5,294,981	–	–	5,294,981
Common collective trusts:				
Russell 1000 Growth Index	2,810,403	–	–	2,810,403
Derivative instruments	–	3,714,934	–	3,714,934
Limited partnerships, limited liability companies and offshore funds:				
U.S. common stocks	–	3,872,360	–	3,872,360
Foreign securities	–	3,402,015	–	3,402,015
Fixed income securities	–	9,530,620	–	9,530,620
Fund of funds – long/short equities	–	–	2,643,590	2,643,590
Fund of funds – U.S. and foreign securities and derivative instruments	–	–	2,639,615	2,639,615
Fund of funds – U.S. and foreign securities	–	–	3,497,155	3,497,155
Common stocks:				
Consumer discretionary	612,932	–	–	612,932
Consumer staples	944,365	–	–	944,365
Energy	334,706	–	–	334,706
Financial	342,298	–	–	342,298
Healthcare	448,894	–	–	448,894
Industrials	495,214	–	–	495,214
Information technology	1,212,391	–	–	1,212,391
Materials	63,088	–	–	63,088
Total assets at fair value	$14,461,182	$20,519,929	$8,780,360	$43,761,471

9. **Pension Plan (Continued)**

2010	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 7,210,630	$ –	$ –	$ 7,210,630
Mutual funds:				
Foreign	4,559,623	–	–	4,559,623
Common collective trusts:				
Russell 1000 Growth Index	1,901,229	–	–	1,901,229
Derivative instruments	–	3,155,888	–	3,155,888
Limited partnerships, limited liability companies and offshore funds:				
U.S. common stocks	–	3,356,533	–	3,356,533
Foreign securities	–	2,721,204	–	2,721,204
Fixed income securities	–	7,227,209	–	7,227,209
Fund of funds – long/short equities	–	–	1,742,541	1,742,541
Fund of funds – U.S. and foreign securities and derivative instruments	–	–	2,337,497	2,337,497
Fund of funds – U.S. and foreign securities	–	–	2,615,759	2,615,759
Common stocks:				
Consumer discretionary	434,591	–	–	434,591
Consumer staples	653,532	–	–	653,532
Energy	195,998	–	–	195,998
Financial	258,830	–	–	258,830
Healthcare	438,540	–	–	438,540
Industrials	331,887	–	–	331,887
Information technology	838,539	–	–	838,539
Materials	58,147	–	–	58,147
Total assets at fair value	$16,881,546	$16,460,834	$6,695,797	$40,038,177

A reconciliation of the plan's assets fair value measurements using significant unobservable inputs (Level 3) is as follows at September 30, 2011 and 2010:

	2011	2010
Beginning balance	$6,695,797	$6,379,507
Realized gains	469,102	–
Unrealized (losses) gains	(227,581)	316,290
Purchases	1,843,042	–
Ending balance	$8,780,360	$6,695,797

9. Pension Plan (Continued)

Contributions

The Hospital does not expect to contribute to its pension plan in 2012.

Estimated Future Benefit Payments

Benefit payments are estimated to be paid as follows:

2012	$ 2,649,209
2013	2,017,114
2014	2,169,761
2015	2,387,861
2016	2,913,297
Years 2017 – 2021	20,055,850

10. Related Party Transactions

During 2011 and 2010, the Hospital was charged approximately $5,262,000 and $5,533,000, respectively, in administrative and other fees by Resources. During 2011 and 2010, the Hospital had net transfers of $15,063,668 and $14,924,939, respectively, to affiliates for operating and other purposes. At September 30, 2011 and 2010, the Hospital was owed $2,883,419 and $3,183,489, respectively, from Resources and affiliates. During 2011 and 2010, Resources released $131,062 and $16,005, respectively, of temporarily restricted net assets to the Hospital to offset patient care expenses and for capital acquisitions.

Transfers

The Hospital transferred cash and certain assets to Resources and forgave intercompany payable balances from other affiliates during the years ended September 30, 2011 and 2010 as summarized below:

	2011	2010
Resources	$ (7,350,000)	$ (8,300,000)
Healthcare	(1,922,785)	(1,525,169)
Core Physicians, LLC	(5,790,883)	(5,099,770)
Net transfers to Resources and affiliates	$(15,063,668)	$(14,924,939)

Leases

The Hospital leases various space from related parties. Rental expense for the years ended September 30, 2011 and 2010 was approximately $1,626,000 and $1,597,000, respectively.

11. Community Benefits (Unaudited)

The Hospital provides numerous community service programs such as patient transport, community education programs, health screenings, health publications and other health information services in addition to providing charitable services and funding the difference between Medicaid reimbursement and the cost of providing those services. In addition, the Hospital also directly subsidizes area community health service agencies which are in support of the Hospital's mission to improve the health of the community. The net cost of providing such benefits was $18.554,341 and $17,106,292 for the years ending September 30, 2011 and 2010, respectively.

12. Functional Expenses

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

	2011	2010
Health care services	$162,821,566	$168,756,253
General and administrative	27,541,724	24,219,922
	$190,363,290	$192,976,175