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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No 1545-0047

2011

Open to Public Inspection

A For the 2011 calendar year, or tax year beginning 07-01-2011 and ending 06-30-2012

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

C Name of organization
THE ELLIOT HOSPITAL OF THE CITY OF MANCHESTER

Doing Business As

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

City or town, state or country, and ZIP + 4
MANCHESTER, NH 03103

D Employer identification number
02-0232673

E Telephone number
(603)663-2033

G Gross receipts $ 376,362,848

F Name and address of principal officer
DOUGLAS DEAN
1 ELLIOT WAY
MANCHESTER, NH 03103

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: ▶ ELLIOT-HS ORG

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

L Year of formation 1942

M State of legal domicile NH

Part I Summary

1 Briefly describe the organization's mission or most significant activities
HOSPITAL 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**	22
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	17
5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	**5**	3,309
6	Total number of volunteers (estimate if necessary)	**6**	0
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	4,842,780
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	-480,386

		Prior Year	Current Year
Revenue	**8** Contributions and grants (Part VIII, line 1h)	599,090	1,696,012
	9 Program service revenue (Part VIII, line 2g)	321,386,340	356,361,181
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	5,998,990	3,372,126
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	16,179,365	14,933,529
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	344,163,785	376,362,848
Expenses	**13** Grants and similar amounts paid (Part IX, column (A), lines 1–3)	581,686	0
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	167,657,511	165,512,221
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b Total fundraising expenses (Part IX, column (D), line 25) ▶0		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	169,848,856	207,141,680
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	338,088,053	372,653,901
	19 Revenue less expenses Subtract line 18 from line 12	6,075,732	3,708,947

		Beginning of Current Year	End of Year
Net Assets or Fund Balances	**20** Total assets (Part X, line 16)	354,022,964	354,374,322
	21 Total liabilities (Part X, line 26)	239,186,805	280,440,885
	22 Net assets or fund balances Subtract line 21 from line 20	114,836,159	73,933,437

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

****** 2013-05-08
Signature of officer Date

RICHARD ELWELL CFO
Type or print name and title

Paid Preparer's Use Only

Preparer's signature ▶ WILLIAM G STEELE JR CPA | Date | Check if self-employed ▶☐ | Preparer's taxpayer identification number (see instructions) P00233103

Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ WILLIAM STEELE & ASSOCIATES PC
40 STARK STREET
MANCHESTER, NH 03101

EIN ▶ 02-0383073

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

ELLIOT HOSPITAL OF THE CITY OF MANCHESTER, A LEADER IN HEALTHCARE, IS DEDICATED TO PROVIDING IT'S COMMUNITY WITH EXCELLENT SERVICES OFFERED WITH DIGNITY, CARING, AND RESPECT

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 organization's program service accomplishments for each of its three largest program services, as measured 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 $ 285,352,590 including grants of $) (Revenue $ 361,805,156)

MEDICAL SERVICES PROVIDED TO 14,594 IN-PATIENTS AND 516,395 OUT-PATIENTS INCLUDING FREE CARE IN THE AMOUNT OF $7,324,556 (AT COST) AND CONTRIBUTIONS TO COMMUNITY PROGRAMS

4b (Code) (Expenses $ 225,000 including grants of $) (Revenue $)

CONTRIBUTIONS TO EASTER SEALS FOR CHILD CARE SERVICES FOR THE COMMUNITY

4c (Code) (Expenses $ 4,562,308 including grants of $) (Revenue $)

COMMUNITY BENEFITS INCLUDING EDUCATIONAL PROGRAMS, HEALTH SCREENINGS, HEALTH PUBLICATIONS, PATIENT TRANSPORT SERVICE AND OTHER HEALTH INFORMATION SERVICES

4d Other program services (Describe in Schedule O)

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

4e **Total program service expenses** ▶ $ 290,139,898

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 instructions)?	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4	Yes	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which 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 temporarily restricted endowments, permanent endowments, 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	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12a		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional*	12b	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, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Part I*	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, Part 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, Part 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*	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.** All Form 990 filers that operated one or more hospitals must attach audited financial statements	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**	Yes	
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 questions 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**	Yes	
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 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	
35a	Is any related organization a controlled entity of the filing organization within the meaning of section 512(b)(13)?	**35a**	Yes	
b	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*	**35b**		No
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	**1a**	272		
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**	3,309			
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**	Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*			**3b**	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account or securities 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.** All 501(c)(29) organizations must list in Schedule O each state in which they are licensed to issue qualified health plans, the amount of reserves required by each state, and the amount of reserves the organization allocated to each state			**13a**		
b	Enter the aggregate 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 aggregate 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	22		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	17		
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	Did the organization have members or stockholders?		6	Yes	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?		7a	Yes	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		7b		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?		8a	Yes	
b	Each committee with authority to act on behalf of the governing body?		8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		9		No

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

			Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	10a		No
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b		
11a	Has the organization provided a complete 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 the Form 990			
12a	Did the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	Yes	
b	Were officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	12c	Yes	
13	Did the organization have a written whistleblower policy?	13	Yes	
14	Did 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," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take 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 made 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 made 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 ▶

MARC CULLEROT
1070 HOLT AVENUE UNIT 1 SUITE 2100
MANCHESTER, NH 03109
(603) 663-2033

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, or 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 organizations compensated any current or former officer, director, or trustee

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(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) DOUGLAS F DEAN PRESIDENT & CEO	40 00	X		X				775,340	0	337,512
(2) RICK PHELPS COO	40 00	X		X				686,077	0	69,674
(3) R SCOTT BACON CHAIR	1 00	X		X				0	0	0
(4) JAMES C HOOD ESQ TRUSTEE	1 00	X						0	0	0
(5) ANN REMUS SECRETARY	1 00	X						0	0	0
(6) SELMA NACCACH-HOFF TRUSTEE	1 00	X		X				0	0	0
(7) LOUISE FORSEZE TRUSTEE	1 00	X						0	0	0
(8) PETER CHEUNG MD TRUSTEE	1 00	X						0	0	0
(9) JOHN T BRODERICK JR TRUSTEE	1 00	X		X				0	0	0
(10) RICHARD MARCUCCI MD TRUSTEE	40 00	X						0	367,996	18,588
(11) DANIEL M MONFRIED TRUSTEE	1 00	X						0	0	0
(12) EDWARD P MITCHELL TRUSTEE	1 00	X						0	0	0
(13) DIANNE M MERCIER VICE CHAIR	1 00	X						0	0	0
(14) DAVID R A STEADMAN TREASURUER	1 00	X						0	0	0
(15) ROBERT M LAVERY TRUSTEE	1 00	X						0	574,693	12,456
(16) HAROLD TURNER JR TRUSTEE	1 00	X						0	0	0
(17) RICHARD L WINNEG TRUSTEE	1 00	X						0	0	0

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(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			
(18) BARBARA A RAND TRUSTEE	1 00	X						0	0	0
(19) GUS EMMICK MD TRUSTEE	40 00	X						0	302,298	17,764
(20) CHARLES ROLECEK TRUSTEE	1 00	X						0	0	0
(21) PETER VAN DER MEER MD TRUSTEE	1 00	X						0	0	0
(22) JOHN F WEEKS TRUSTEE	1 00	X						0	0	0
(23) CHRISTOPHER S CALHOUN MD TRUSTEE	40 00	X						0	142,574	27,040
(24) RICHARD ELWELL CFO	40 00			X				711,978	0	127,871
(25) JOHN FRIBERG SENIOR VP OF OPERATIONS	40 00				X			318,000	0	17,230
(26) ALEXANDER W PETRON CHIEF MEDICAL INFO OFFICER	40 00					X		310,528	0	14,488
(27) KEVIN B COUGHLIN SENIOR VP PHYSICIAN SERVICES	40 00					X		295,306	0	14,163
(28) ANITA RITENOUR MD ASST VP MEDICAL AFFAIRS	40 00					X		348,201	0	35,321
(29) ELIZABETH A HALE-CAMPOLI VP OF PATIENT CARE SERVICE	40 00					X		282,621	0	3,558
(30) WILLIAM BAXTER SENIOR VP MEDICAL AFFFAIRS	40 00					X		366,044	0	18,163
1b Sub-Total . . . . . ▶										
c Total from continuation sheets to Part VII, Section A . . . . ▶										
d Total (add lines 1b and 1c) . . . . . ▶								4,094,095	1,387,561	713,828

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶ 121

			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 Report compensation for the calendar year ending with or within the organization's tax year

(A) Name and business address	(B) Description of services	(C) Compensation
MARTINI NORTHERN LLC 299 HANOVER STREET PORTSMOUTH, NH 03801	GENERAL CONTRACTOR	1,910,408
AW ROSE CONSTRUCTION LLC 33 SOUTH COMMERCIAL STREET MANCHESTER, NH 03101	CONSTRUCTION	1,823,989
MAYO COLLABORATIVE PO BOX 9146 MINNEAPOLIS, MN 55480	LABORATORY SERVICE	1,684,168
BIANCO ASSOCIATES 18 CENTER ST CONCORD, NH 03301	REGULATORY AND LEGAL CONSULTING	827,234
GRANITE STATE PLUMBING 10 N RIVERDALE RD WEARE, NH 03281	PLUMBING CONTRACTOR	671,508

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization ▶ 24

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 1,696,012				
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f		1,696,012			
Program Service Revenue			Business Code				
	2a	PROG SERV REVENUE-RELA	621110	356,361,181	356,361,181		
	b						
	c						
	d						
	e						
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f		356,361,181			
	3	Investment income (including dividends, interest and other similar amounts)		2,013,623		-107,002	2,120,625
	4	Income from investment of tax-exempt bond proceeds					
	5	Royalties					
			(i) Real / (ii) Personal				
	6a	Gross rents	2,429,012 /				
	b	Less rental expenses	0 /				
	c	Rental income or (loss)	2,429,012 /				
	d	Net rental income or (loss)		2,429,012			2,429,012
			(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory	1,358,503 /				
	b	Less cost or other basis and sales expenses	0 /				
	c	Gain or (loss)	1,358,503 /				
	d	Net gain or (loss)		1,358,503			1,358,503
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	MISCELLANEOUS OTHER	900099	5,443,975	5,443,975		
	b	LABORATORY SERVICES	621500	4,754,713		4,754,713	
	c	CAFETERIA REVENUE	722210	1,696,095			1,696,095
	d	All other revenue		609,734		195,069	414,665
	e	**Total.** Add lines 11a–11d		12,504,517			
	12	**Total revenue.** See Instructions		376,362,848	361,805,156	4,842,780	8,018,900

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)

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

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 United States See Part IV, line 21				
2	Grants and other assistance to individuals in the United States See Part IV, line 22				
3	Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	2,491,397		2,491,397	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	127,729,511	95,797,133	31,932,378	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	10,564,383	7,923,287	2,641,096	
9	Other employee benefits	15,152,979	11,364,734	3,788,245	
10	Payroll taxes	9,573,951	7,180,463	2,393,488	
11	Fees for services (non-employees)				
a	Management				
b	Legal	333,267		333,267	
c	Accounting	112,000		112,000	
d	Lobbying				
e	Professional fundraising *See Part IV, line 17* . .				
f	Investment management fees				
g	Other				
12	Advertising and promotion	2,474,084		2,474,084	
13	Office expenses				
14	Information technology				
15	Royalties . .				
16	Occupancy	4,954,760	3,716,070	1,238,690	
17	Travel	149,684	112,263	37,421	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	223,111	167,334	55,777	
20	Interest	9,486,840	7,115,130	2,371,710	
21	Payments to affiliates	19,466,623	19,466,623		
22	Depreciation, depletion, and amortization	17,375,327	13,031,495	4,343,832	
23	Insurance	864,808	648,606	216,202	
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	PROVISION FOR BAD DEBTS	41,009,950	41,009,950		
b	SUPPLIES	20,251,441	20,251,441		
c	MEDICAID ENHANCEMENT TA	16,107,100		16,107,100	
d	DRUGS & PHARMACEUTICUL	14,495,573	14,495,573		
e					
f	All other expenses	59,837,112	47,859,796	11,977,316	
25	**Total functional expenses.** Add lines 1 through 24f	372,653,901	290,139,898	82,514,003	0
26	**Joint costs.** Check here ▶ ☐ if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		14,174,647	1	21,588,730
	2	Savings and temporary cash investments		11,013,768	2	6,095,203
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		30,971,984	4	34,960,257
	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)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use		2,184,163	8	2,143,884
	9	Prepaid expenses and deferred charges		3,574,037	9	4,336,045
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 350,112,460			
	b	Less accumulated depreciation	10b 179,560,404	176,603,568	10c	170,552,056
	11	Investments—publicly traded securities			11	
	12	Investments—other securities See Part IV, line 11		101,624,135	12	97,644,472
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		13,876,662	15	17,053,675
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		354,022,964	16	354,374,322
Liabilities	17	Accounts payable and accrued expenses		31,791,324	17	33,887,118
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		153,194,328	20	151,706,117
	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	150,000
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		54,201,153	25	94,697,650
	26	**Total liabilities.** Add lines 17 through 25		239,186,805	26	280,440,885
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		100,975,670	27	60,341,629
	28	Temporarily restricted net assets		1,722,983	28	1,696,379
	29	Permanently restricted net assets		12,137,506	29	11,895,429
		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		114,836,159	33	73,933,437
	34	Total liabilities and net assets/fund balances		354,022,964	34	354,374,322

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	376,362,848
2	Total expenses (must equal Part IX, column (A), line 25)	2	372,653,901
3	Revenue less expenses Subtract line 2 from line 1	3	3,708,947
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . .	4	114,836,159
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-44,611,669
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	73,933,437

Part XII Financial Statements and Reporting

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

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

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
THE ELLIOT HOSPITAL OF THE CITY OF MANCHESTER

Employer identification number
02-0232673

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 **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 IRC 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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(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 (Explain in Part IV) Do not include gain or loss from the sale of capital assets						
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 2011 (line 6 column (f) divided by line 11 column (f)) **14**

15 Public Support Percentage for 2010 Schedule A, Part II, line 14 **15**

16a **33 1/3% support test—2011.** 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—2010.** 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—2011.** 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—2010.** 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 IRC 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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(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 501(c)(3) organization, check this box and **stop here** ▶☐

Section C. Computation of Public Support Percentage

15 Public Support Percentage for 2011 (line 8 column (f) divided by line 13 column (f))	15	
16 Public support percentage from 2010 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17 Investment income percentage for **2011** (line 10c column (f) divided by line 13 column (f))	17	
18 Investment income percentage from **2010** Schedule A, Part III, line 17	18	

19a **33 1/3% support tests—2011.** 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—2010.** 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 explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

Explanation

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SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

▶ **Complete if the organization is described below.**

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

OMB No 1545-0047

2011

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, line 35c (Proxy Tax), then

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

Name of the organization	Employer identification number
THE ELLIOT HOSPITAL OF THE CITY OF MANCHESTER	02-0232673

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 on behalf of or in opposition to candidates for public office 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 (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures)

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)	0	0
b Total lobbying expenditures to influence a legislative body (direct lobbying)	188,723	188,723
c Total lobbying expenditures (add lines 1a and 1b)	188,723	188,723
d Other exempt purpose expenditures	290,139,899	391,476,290
e Total exempt purpose expenditures (add lines 1c and 1d)	290,328,622	391,665,013
f Lobbying nontaxable amount Enter the amount from the following table in both columns	1,000,000	1,000,000

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

g Grassroots nontaxable amount (enter 25% of line 1f)	250,000	250,000	
h Subtract line 1g from line 1a If zero or less, enter -0-	0	0	
i Subtract line 1f from line 1c If zero or less, enter -0-	0	0	

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

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

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) Total
2a Lobbying non-taxable amount	1,000,000	1,000,000	1,000,000	1,000,000	4,000,000
b Lobbying ceiling amount (150% of line 2a, column(e))					6,000,000
c Total lobbying expenditures	238,276	348,114	344,636	188,723	1,119,749
d Grassroots non-taxable amount	250,000	250,000	250,000	250,000	1,000,000
e Grassroots ceiling amount (150% of line 2d, column (e))					1,500,000
f Grassroots lobbying expenditures	29,212	32,124	33,158	0	94,494

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?			
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?			
c	Media advertisements?			
d	Mailings to members, legislators, or the public?			
e	Publications, or published or broadcast statements?			
f	Grants to other organizations for lobbying purposes?			
g	Direct contact with legislators, their staffs, government officials, or a legislative body?			
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?			
i	Other activities? If "Yes," describe in Part IV			
j	Total lines 1c through 1i			
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?			
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
THE ELLIOT HOSPITAL OF THE CITY OF MANCHESTER

Employer identification number
02-0232673

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	13,860,491	12,771,028	12,420,985	14,078,246	
b Contributions	0	50,000	174,500		
c Investment earnings or losses	-268,683	1,039,463	175,543	-1,657,261	
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance	13,591,808	13,860,491	12,771,028	12,420,985	

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

- a Board designated or quasi-endowment ▶ 12 480 %
- b Permanent endowment ▶ 87 520 %
- 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)		No
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b		

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		6,681,464		6,681,464
b Buildings		167,568,502	48,480,879	119,087,623
c Leasehold improvements		3,445,505	1,747,545	1,697,960
d Equipment		163,066,061	125,602,389	37,463,672
e Other		9,350,928	3,729,591	5,621,337
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				170,552,056

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) BOARD DESIGNATED & DONOR RESTRICTED	97,644,472	F
Total. *(Column (b) should equal Form 990, Part X, col (B) line 12)* ▶	97,644,472	

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	
PAYABLE TO THIRD PARTY PAYORS	7,885,294
INTEREST PAYABLE	2,295,750
ACCRUED PENSION & OTHER	67,958,763
SELF-INSURANCE RESERVES & OTHER	14,880,980
CURRENT PORTION OF LONG-TERM DEBT	1,676,863
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	94,697,650

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	376,362,848
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	372,653,901
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	3,708,947
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	-44,611,669
9	Total adjustments (net) Add lines 4 - 8	9	-44,611,669
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	-40,902,722

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	374,230,546
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	-1,724,797		
e	Add lines **2a** through **2d**			2e	-1,724,797
3	Subtract line **2e** from line **1**			3	375,955,343
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	407,505		
c	Add lines **4a** and **4b**			4c	407,505
5	Total Revenue Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12)			5	376,362,848

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

1	Total expenses and losses per audited financial statements			1	352,779,773
2	Amounts included on line 1 but not on Form 990, Part IX, line 25				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIV)	2d			
e	Add lines **2a** through **2d**			2e	0
3	Subtract line **2e** from line **1**			3	352,779,773
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	19,874,128		
c	Add lines **4a** and **4b**			4c	19,874,128
5	Total expenses Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18)			5	372,653,901

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	INCOME OF THE FUNDS HAS BEEN USED FOR OPERATING AND CAPITAL EXPENDITURES
PART XI, LINE 8 - OTHER ADJUSTMENTS		UNREALIZED GAIN/LOSS - UNRESTRICTED FUND - 1,724,800 PENSION ADJUSTMENT -42,588,265 UNREALIZED GAIN/LOSS - TEMPORARILY RESTRICTED FUNDS -26,604 UNREALIZED GAIN/LOSS - PERMANENTLY RESTRICTED FUNDS -272,000 GRANT PROCEEDS RECEIVED FOR CAPITAL PURCHASE TOTAL TO SCHEDULE D, PART XI, LINE 8 -44,611,669
PART XII, LINE 2D - OTHER ADJUSTMENTS		UNREALIZED LOSS -1,724,797
PART XII, LINE 4B - OTHER ADJUSTMENTS		EXPENSE RECLASS 407,505
PART XIII, LINE 4B - OTHER ADJUSTMENTS		EXPENSE RECLASS 407,505 PAYMENTS TO AFFILIATES 19,466,623
		PART X, INCLUDED IN THE CONSOLIDATED AUDITED FINANCIAL STATEMENTS WAS THE FOLLOWING, "MANAGEMENT EVALUATED THE HOSPITAL'S TAX POSITIONS AND CONCLUDED THE HOSPITAL HAS MAINTAINED ITS TAX-EXEMPT STATUS, DOES NOT HAVE ANY SIGNIFICANT UNRELATED BUSINESS INCOME AND HAD TAKEN NO UNCERTAIN TAX POSITIONS THAT REQUIRE ADJUSTMENT TO THE CONSOLIDATED FINANCIAL STATEMENTS "

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
THE ELLIOT HOSPITAL OF THE CITY OF MANCHESTER

Employer identification number
02-0232673

Part I Charity Care and Certain Other Community Benefits at Cost

			Yes	No
1a	Did the organization have a charity care policy? If "No," skip to question 6a	1a	Yes	
b	If "Yes," is it a written policy?	1b	Yes	
2	If the organization had multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals ☐ Applied uniformly to all hospitals ☐ Applied uniformly to most hospitals ☐ Generally tailored to individual hospitals			
3	Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients during the tax year			
a	Did the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing *free* care? If "Yes," indicate which of the following is the FPG family income limit for eligibility for free care ☐ 100% ☐ 150% ☑ 200% ☐ Other _____ %	3a	Yes	
b	Did the organization use FPG to determine eligibility for providing *discounted* care? 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 did 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 policy provide 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 charity care expenses exceed the budgeted amount?	5b		No
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		
6a	Did the organization prepare a community benefit reportduring 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 Charity Care and Certain Other Community Benefits at Cost

Charity Care 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 Charity care at cost (from Worksheet 1)		20,805	7,323,386		7,323,386	1 970 %
b Medicaid (from Worksheet 3, column a)		50,664	45,876,805	13,409,977	32,466,828	8 710 %
c Costs of other means-tested government programs (from Worksheet 3, column b)		0				
d **Total** Charity Care and Means-Tested Government Programs		71,469	53,200,191	13,409,977	39,790,214	10 680 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)	13	2,509	362,643	1,345	361,298	0 100 %
f Health professions education (from Worksheet 5)	12	364	740,826		740,826	0 200 %
g Subsidized health services (from Worksheet 6)	8	0	12,805,364	5,584,123	7,221,241	1 940 %
h Research (from Worksheet 7)	1	0	25,189		25,189	0 010 %
i Cash and in-kind contributions for community benefit (from Worksheet 8)	7	72	417,544		417,544	0 110 %
j **Total** Other Benefits	41	2,945	14,351,566	5,585,468	8,766,098	2 360 %
k **Total.** Add lines 7d and 7j	41	74,414	67,551,757	18,995,445	48,556,312	13 040 %

Part II Community Building Activities Complete this table if the organization conducted any community building activities.

		(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing						
2	Economic development						
3	Community support	1		12,770		12,770	0 %
4	Environmental improvements						
5	Leadership development and training for community members						
6	Coalition building						
7	Community health improvement advocacy						
8	Workforce development						
9	Other						
10	**Total**	1		12,770		12,770	

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 Heathcare Financial Management Association Statement No 15?	1			No
2	Enter the amount of the organization's bad debt expense	2	19,274,676		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy	3			
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	82,376,465
6	Enter Medicare allowable costs of care relating to payments on line 5	6	106,174,435
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	-23,797,970
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	Did the organization have a written debt collection policy during the tax year?	9a	Yes	
b	If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI	9b	Yes	

Part IV Management Companies and Joint Ventures (see instructions)

	(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 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	THE ELLIOT HOSPITAL OF CITY OF MANCHSTR 1 ELLIOT WAY MANCHESTER,NH 03103	X	X	X				X		

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices.

(Complete a separate Section B for each of the hospital facilities listed in Part V, Section A)

ELLIOT HOSPITAL OF CITY OF MANCHESTER

Name of Hospital Facility:

Line Number of Hospital Facility (from Schedule H, Part V, Section A): 1

		Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2011)			
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8	1		
If "Yes," indicate what the Needs Assessment describes (check all that apply)			
a ☐ A definition of the community served by the hospital facility			
b ☐ Demographics of the community			
c ☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d ☐ How data was obtained			
e ☐ The health needs of the community			
f ☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g ☐ The process for identifying and prioritizing community health needs and services to meet those needs			
h ☐ The process for consulting with persons representing the community's interests			
i ☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j ☐ Other (describe in Part VI)			
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ___			
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3		
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4		
5 Did the hospital facility make its Needs Assessment widely available to the public?	5		
If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)			
a ☐ Hospital facility's website			
b ☐ Available upon request from the hospital facility			
c ☐ Other (describe in Part VI)			
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)			
a ☐ Adoption of an implementation strategy to address the health needs of the hospital facility's community			
b ☐ Execution of the implementation strategy			
c ☐ Development of a community-wide community benefit plan for the facility			
d ☐ Participation in community-wide community benefit plan			
e ☐ Inclusion of a community benefit section in operational plans			
f ☐ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g ☐ Prioritization of health needs in the community			
h ☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i ☐ Other (describe in Part VI)			
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7		
Financial Assistance Policy			
Did the hospital facility have in place during the tax year a written financial assistance policy that			
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care?	9	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 200 000000000000%			
If "No," explain in Part VI the criteria the hospital facility used			

Part V Facility Information *(continued)*

			Yes	No
10	Used FPG to determine eligibility for providing discounted care?	10	Yes	
	If "Yes," indicate the FPG family income limit for eligibility for discounted care 400 000000000000%			
	If "No," explain in Part VI the criteria the hospital facility used			
11	Explained the basis for calculating amounts charged to patients?	11	Yes	
	If "Yes," indicate the factors used in determining such amounts (check all that apply)			
	a ☑ Income level			
	b ☑ Asset level			
	c ☑ Medical indigency			
	d ☑ Insurance status			
	e ☑ Uninsured discount			
	f ☑ Medicaid/Medicare			
	g ☑ State regulation			
	h ☑ Other (describe in Part VI)			
12	Explained the method for applying for financial assistance?	12	Yes	
13	Included measures to publicize the policy within the community served by the hospital facility?	13	Yes	
	If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
	a ☑ The policy was posted at all times on the hospital facility's web site			
	b ☑ The policy was attached to all billing invoices			
	c ☑ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
	d ☑ The policy was posted in the hospital facility's admissions offices			
	e ☑ The policy was provided, in writing, to patients upon admission to the hospital facility			
	f ☑ The policy was available upon request			
	g ☐ Other (describe in Part VI)			

Billing and Collections

14	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	14	Yes	
15	Check all of the following collection actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP			
	a ☐ Reporting to credit agency			
	b ☐ Lawsuits			
	c ☐ Liens on residences			
	d ☐ Body attachments or arrests			
	e ☐ Other similar actions (describe in Part VI)			
16	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP?	16		No
	If "Yes," check all actions in which the hospital facility or a third party engaged			
	a ☐ Reporting to credit agency			
	b ☐ Lawsuits			
	c ☐ Liens on residences			
	d ☐ Body attachments			
	e ☐ Other similar actions (describe in Part VI)			
17	Indicate which efforts the hospital facility made before initiating any of the actions checked in question 16 (check all that apply)			
	a ☑ Notified patients of the financial assistance policy upon admission			
	b ☑ Notified patients of the financial assistance policy prior to discharge			
	c ☑ Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills			
	d ☑ Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy			
	e ☐ Other (describe in Part VI)			

Part V Facility Information *(continued)*

Policy Relating to Emergency Medical Care

		Yes	No
18 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	**18**	Yes	
If "No," indicate why			
a ☐ The hospital facility did not provide care for any emergency medical conditions			
b ☐ The hospital facility's policy was not in writing			
c ☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)			
d ☐ Other (describe in Part VI)			

Individuals Eligible for Financial Assistance

19 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care			
a ☐ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged			
b ☑ The hospital facility used the average of it's three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged			
c ☐ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged			
d ☐ Other (describe in Part VI)			
20 Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care?	**20**		No
If "Yes," explain in Part VI			
21 Did the hospital facility charge any of its FAP-eligible patients an amount equal to the gross charge for services provided to that patient?	**21**		No
If "Yes," explain in Part VI			

Part V Facility Information *(continued)*

Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility
(list in order of size 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		
2		
3		
4		
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10		

Part VI Supplemental Information

Complete this part to provide the following information

1 **Required descriptions.** Provide the descriptions 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, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21

2 **Community health needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any community health 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 II THE HEALTH OF THE COMMUNITY WE SERVE IS PROMOTED THROUGH EH'S BUILDING ACTIVITIES WITH ORGANIZATIONS SUCH AS THE CHILD ADVOCACY CENTER, THE HOMELESS SHELTER AND OTHERS IN PROBABLY THE MOST IMPORTANT AND BASIC MANNER, NAMELY, WE DIRECTLY IMPACT BASIC LIVING (AND IN SOME CASES SURVIVAL) NEEDS CHILDREN, YOUNG ADULTS, ADULTS AND THE ELDERLY SHARE THE NEED FOR BASIC NUTRITION, SAFETY, AND SHELTER THE ORGANIZATIONS WE CHOOSE TO SUPPORT OFFER AND PROVIDE SOME OF THESE NECESSITIES FOR A LARGE PORTION OF THE POPULATION IN THE GREATER MANCHESTER AREA FURTHER, WE PROVIDE SUPPORT FOR ORGANIZATIONS THAT UNDERSTAND THE IMPORTANCE OF EDUCATION AND PROVIDE THE SKILLS, TOOLS AND THE INFORMATION TO PEOPLE SO THAT THEY CAN ACCESS EVERYTHING FROM FOOD FOR THE HUNGRY, SHELTER, SAFETY FROM PHYSICAL AND MENTAL HARM AS WELL AS HEALTH CARE EH TREATS MANY OF THESE INDIVIDUALS IN OUR EMERGENCY DEPARTMENT IN WORKING WITH THESE PEOPLE TO HELP THEM RECOVER FROM ILLNESSES OR INJURIES, WE HAVE COME TO UNDERSTAND THE IMPORTANCE AND THE ROLE OTHER ORGANIZATIONS PLAY IN THE LIVES OF THESE SAME PEOPLE BY SUPPORTING THESE ORGANIZATIONS, WE KNOW THAT BASIC NEEDS ARE BEING MET, AND IMPROVED HEALTH AND WELLNESS FOR EVERYONE REGARDLESS OF PERSONAL HARDSHIP OR STATUS MAY BE ACHIEVED

Identifier	ReturnReference	Explanation
		PART III, LINE 4 BAD DEBT AND CHARITY CARE COST DETERMINED USING INTERNAL COST ACCOUNTING SYSTEM SELF PAY ACCOUNTS GIVEN AUTOMATIC 25% DISCOUNT OFF CHARGES, SELF PAY ACCOUNTS THAT DO NOT MAKE PAYMENT ARE TRANSFERRED TO BAD DEBT ORGANIZATION NOT CURRENTLY DETERMINING BAD DEBT ACCOUNTS THAT MAY HAVE BEEN CHARITABLE CARE BAD DEBT FOOTNOTE "NET PATIENT SERVICE REVENUES - THE HOSPITAL RECOGNIZES PATIENT SERVICE REVENUE ASSOCIATED WITH SERVICES PROVIDED TO PATIENTS WHO HAVE THIRD-PARTY PAYOR COVERAGE ON THE BASIS OF CONTRACTUAL RATES FOR THE SERVICES RENDERED FOR UNINSURED PATIENTS, THE HOSPITAL PROVIDES A DISCOUNT APPROXIMATELY EQUAL TO THAT OF ITS LARGEST PRIVATE INSURANCE PAYORS ON THE BASIS OF HISTORICAL EXPERIENCE, A SIGNIFICANT PORTION OF THE HOSPITAL'S UNINSURED PATIENTS WILL BE UNABLE OR UNWILLING TO PAY FOR THE SERVICES PROVIDED THUS, THE HOSPITAL RECORDS A SIGNIFICANT PROVISION FOR BAD DEBTS RELATED TO UNINSURED PATIENTS IN THE PERIOD THE SERVICES ARE PROVIDED " "ACCOUNTS RECEIVABLE AND THE ALLOWANCE FOR DOUBTFUL ACCOUNTS - ACCOUNTS RECEIVABLE ARE REDUCED BY AN ALLOWANCE FOR DOUBTFUL ACCOUNTS IN EVALUATING THE COLLECTIBILITY OF ACCOUNTS RECEIVABLE, THE HOSPITAL ANALYZES ITS PAST HISTORY AND IDENTIFIES TRENDS FOR EACH OF ITS MAJOR PAYOR SOURCES OF REVENUE TO ESTIMATE THE APPROPRIATE ALLOWANCE FOR DOUBTFUL ACCOUNTS AND PROVISION FOR BAD DEBTS MANAGEMENT REGULARLY REVIEWS DATA ABOUT THESE MAJOR PAYOR SOURCES OF REVENUE IN EVALUATING THE SUFFICIENCY OF THE ALLOWANCE FOR DOUBTFUL ACCOUNTS FOR RECEIVABLES ASSOCIATED WITH 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, OR FOR PAYORS WHO ARE KNOWN TO BE HAVING FINANCIAL DIFFICULTIES THAT MAKE THE REALIZATION OF AMOUNTS DUE UNLIKELY) 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 PROVISION FOR BAD DEBTS IN THE PERIOD OF SERVICE ON THE BASIS OF ITS PAST EXPERIENCE, WHICH INDICATES THAT MANY PATIENTS ARE UNABLE OR UNWILLING TO PAY THE PORTION OF THEIR BILL FOR WHICH THEY ARE FINANCIALLY RESPONSIBLE THE DIFFERENCE BETWEEN THE STANDARD RATES (OR THE DISCOUNTED RATES IF NEGOTIATED) AND THE AMOUNTS ACTUALLY COLLECTED AFTER ALL REASONABLE COLLECTION EFFORTS HAVE BEEN EXHAUSTED IS CHARGED OFF AGAINST THE ALLOWANCE FOR DOUBTFUL ACCOUNTS

Identifier	ReturnReference	Explanation
		PART III, LINE 8 ALLOWABLE COSTS DETERMINED USING CMS METHODOLOGY UTILIZED IN COMPLETING COST REPORT, MEDICARE SHORTFALL TO BE INCLUDED IN COMMUNITY BENEFITS

Identifier	ReturnReference	Explanation
		PART III, LINE 9B COLLECTIONS ARE NOT PURSUED ON CHARITY CARE PATIENTS COLLECTIONS AGENCY IS SUPPLIED INFORMATION THAT ALLOWS THEM TO IDENTIFY ONLY THOSE ACCOUNTS UPON WHICH COLLECTION EFFORTS SHOULD BE PURSUED

Identifier	ReturnReference	Explanation
ELLIOT HOSPITAL OF CITY OF MANCHESTER		PART V, SECTION B, LINE 11H DECEASED AND HOMELESS PERSONS ARE AUTOMATICALLY CONVERTED TO CHARITABLE CARE CATASTROPHIC LIMIT CAP SET AT $50,000 FOR SELF-PAY

Identifier	ReturnReference	Explanation
		PART VI, LINE 2 IN 2009, THE DEVELOPMENT OF A COMMUNITY NEEDS ASSESSMENT TITLED "BELIEVE IN A HEALTHY COMMUNITY" WAS COMPLETED BY A COLLABORATIVE COMMUNITY GROUP, THE MANCHESTER SUSTAINABLE ACCESS PROJECT (MSAP) THE DATA ANALYSIS AND REPORT DESIGN WAS DEVELOPED UNDER THE OVERSIGHT OF THE CITY OF MANCHESTER HEALTH DEPARTMENT AND THE NH DEPARTMENT OF HEALTH AND HUMAN SERVICES FUNDING FOR THIS PROJECT WAS PROVIDED BY ELLIOT HEALTH SYSTEM (EHS), CATHOLIC MEDICAL CENTER (ANOTHER ACUTE CARE HOSPITAL IN MANCHESTER), AND DARTMOUTH-HITCHCOCK MANCHESTER (A COMMUNITY EXTENSION OF DARTMOUTH-HITCHCOCK MEDICAL CENTER) THE PROCESS BEGAN WITH A REVIEW OF THE HEALTHY MANCHESTER 2015 STRATEGIC IMPERATIVES FRAMEWORK BY THE MEMBERS OF THE MANCHESTER SUSTAINABLE ACCESS PROJECT (MSAP) DATA SUB-COMMITTEE THE STRATEGIC IMPERATIVES PROVIDED THE PLANNING AND ORGANIZATIONAL STRUCTURE FOR THE REPORT ONE HUNDRED AND FIFTEEN INDIVIDUALS FROM THIRTEEN COMMUNITIES PARTICIPATED IN THIRTEEN COMMUNITY FOCUS GROUPS BETWEEN MARCH AND MAY 2009, THE COMMUNITY HEALTH INSTITUTE (CHI) STAFF INTERVIEWED TWENTY-SIX KEY LEADERS FROM THE MANCHESTER HEALTH SERVICE AREA IDENTIFIED BY THEIR PEERS AS BEING LEADERS WHO UNDERSTOOD CURRENT AND EMERGING ISSUES FRO THE GRATER MANCHESTER COMMUNITY THE KEY LEADERS REPRESENTED CITY/TOWN GOVERNMENT, EDUCATION, HEALTH CARE DELIVERY, BUSINESSES, NON-PROFIT ORGANIZATIONS AND MUNICIPALITIES IN ADDITION, EACH KEY LEADER COMPLETED A STANDARD PAPER SURVEY FOR EACH FOCUS GROUP, AND KEY LEADER INTERVIEW, A NOTE TAKER DOCUMENTED THE MAJOR THEMES AND POINTS AT EACH DISCUSSION ALL FOCUS GROUPS WERE RECORDED AND NOTES WERE INPUT INTO NVIVO 8 STATISTICAL SOFTWARE AND AN SPSS DATABASE WAS USED FOR DESCRIPTIVE ANALYSIS OF THE DATA COLLECTED A FULL COPY OF "BELIEVE IN A HEALTHY COMMUNITY" IS AVAILABLE AT THE CITY OF MANCHESTER, MANCHESTER HEALTH DEPARTMENT WEBSITE HTTP //WWW MANCHESTERNH GOV/WEBSITE/DEPARTMENTS/HEALTH/TABID/177/DEFAULT ASPX

Identifier	ReturnReference	Explanation
		PART VI, LINE 3 PATIENT REGISTRATION AREAS HAVE SIGNAGE INDICATING THE AVAILABILITY OF FINANCIAL ASSISTANCE THROUGH THE ORGANIZATION'S CHARITY CARE POLICY PATIENT BILLS AND STATEMENTS HAVE LANGUAGE THAT OFFERS THE OPPORTUNITY TO APPLY FOR CHARITABLE CARE FINANCIAL ASSISTANCE OPTIONS ARE ALSO DESCRIBED ON THE ORGANIZATION'S WEB-SITE

Identifier	ReturnReference	Explanation
		PART VI, LINE 4 THE DESCRIPTION BELOW INCLUDES SOME REVISED EXCERPTS FROM "BELIEVE IN A H EALTHY COMMUNITY" MANCHESTER AND THE SURROUNDING TOWNS OF AUBURN, BEDFORD, CANDIA, DEERFIE LD, GOFFSTOWN, HOOKSETT AND NEW BOSTON, MAKE UP WHAT IS KNOWN AS THE MANCHESTER HEALTH SER VICE AREA (HSA) THE HSA HAS A POPULATION OF 179,894 PERSONS (2007) REPRESENTING APPROXIMA TELY 14% OF THE NH STATE POPULATION (1,315,829) AND MAKES UP MOST OF THE MAJOR SERVICE ARE A OF EHS, THE UMBRELLA ORGANIZATION UNDER WHICH ELLIOT HOSPITAL (EH) OPERATES IN 2006, TH E HSA EXPERIENCED 11 3% OF THE STATE'S TOTAL BIRTHS AND 10% OF THE STATE'S TOTAL DEATHS TH E CITY OF MANCHESTER IS THE LARGEST COMMUNITY IN NORTHERN NEW ENGLAND WITH A TOTAL POPULA TION OF 108,874 RESIDENTS, MANCHESTER REPRESENTS 60 5% OF THE HSA AND 8 3% OF THE STATE'S TOTAL POPULATION THE TABLE BELOW DISPLAYS HOW THE POPULATION IN MANCHESTER IS DISTRIBUTED BY AGE AND GENDER MORE PEOPLE ARE LIVING LONGER AND INDIVIDUALS IN THE LARGE "BABY BOOMER " AGE GROUP ARE NOW REACHING THE AGE OF 65 IN THE NEXT FORTY YEARS, THE NUMBER OF PEOPLE IN THE NATION AGE 65 AND OLDER IS EXPECTED TO MORE THAN DOUBLE AND THE POPULATION OF THE M ANCHESTER HSA IS EXPECTED TO EXPERIENCE THE SAME TYPE OF GROWTH FOR EXAMPLE, THE NUMBER O F MANCHESTER ADULTS AGE 65 AND OLDER GREW BY 13% FROM 1980 TO 2000 IT IS PROJECTED THAT T HIS POPULATION WILL GROW BY ANOTHER 85% FROM 2000 TO 2020 THE POPULATION OF OLDER ADULTS IN THE OTHER HSA TOWNS GREW BY 82% FROM 1980 TO 2000 AND IS PROJECTED TO MORE THAN DOUBLE FROM 2000 TO 2020 THIS HIGH GROWTH RATE OF THE ELDERLY GROUP IN THE MANCHESTER HSA SUGGES TS HEALTH CARE LEADERS SHOULD ANTICIPATE AND PLAN FOR AN INCREASED DEMAND FOR SERVICES THA T ADEQUATELY ADDRESS THE NEEDS OF OLDER ADULTS OVER THE LAST DECADE, IN ADDITION TO GROWIN G IN SIZE, MANCHESTER HSA'S POPULATION HAS BECOME MORE DIVERSE IN ITS CULTURES, LANGUAGES, RELIGIOUS BELIEFS AND OTHER IDEOLOGIES THIS IS ESPECIALLY TRUE FOR MANCHESTER, WHICH IS A REFUGEE RESETTLEMENT SITE AS OF 2007, NEARLY 10% OF MANCHESTER RESIDENTS WERE BORN OUTS IDE OF THE UNITED STATES, WHICH IS TWICE THE PERCENT OF PEOPLE IN ALL OF NH WHO ARE FOREIG N BORN OVER 17% OF MANCHESTER'S RESIDENTS SPEAK A LANGUAGE OTHER THAN ENGLISH IN HOME AR OUND 5% OF HOUSEHOLDS ARE LINGUISTICALLY ISOLATED, MEANING THAT ALL MEMBERS OF THE HOUSEHO LD AGES 14 AND OLDER HAVE AT LEAST SOME DIFFICULTY WITH ENGLISH ACROSS THE UNITED STATES, FAMILY HOUSEHOLDS TAKE A VARIETY OF FORMS HOUSEHOLDS MAY BE HEADED BY MARRIED OR UNMARRI ED PARTNERS AS WELL AS BY INDIVIDUALS THEY MAY OR MAY NOT HAVE SCHOOL-AGE CHILDREN PRESEN T THEY MAY BE HEADED BY GRANDPARENTS THEY MAY CONTAIN FOSTER CHILDREN OVER THE PAST SEV EN YEARS, THE PERCENT OF HOUSEHOLDS IN MANCHESTER COMPOSED OF TWO MARRIED PARENTS WITH THE IR OWN SCHOOL-AGED CHILDREN HAS DECREASED FROM 19 2% TO 14 8% WITH THE HSA, BEDFORD HAS TH E HIGHEST MEDIAN HOUSEHOLD INCOME AND THE CITY OF MANCHESTER HAS THE LOWEST SIMILARLY, MA NCHESTER HAS THE HIGHEST PERCENTAGE OF FAMILIES LIVING IN POVERTY, WHOLE DEERFIELD HAS THE LOWEST IN 2005 IN MANCHESTER, A FAMILY OF FOUR WITH BOTH PARENTS WORKING NEEDED TO MAKE $50,031 ANNUALLY ($12 03 PER HOUR) TO MEET BASIC NEEDS THAT SAME YEAR THE MEDIAN HOUSEHOL D INCOME IN MANCHESTER ($50,199) WAS A BIT ABOVE THE BASIC NEEDS LEVEL ($50,404) HOWEVER, IN 2007, ONLY 55% OF THE HOUSEHOLDS IN MANCHESTER REACHED THE LIVABLE WAGE LEVEL, WHICH H AD INCREASED TO $53,192 (EQUIVALENT WAGE OF $12 79 PER HOUR) ACCORDING TO THE AMERICAN CO MMUNITY SURVEY, THE MOST COMMON TYPE OF EMPLOYMENT IN MANCHESTER IS IN EDUCATIONAL SERVICE S, HEALTH CARE, AND SOCIAL ASSISTANCE (20 3%) MANCHESTER MAKES UP 8 2% OF THE STATE'S LAB OR FORCE THE POPULATION OF THE GREATER MANCHESTER HSA IS GROWING IN SIZE, AND LIVING LONGE R, IS INCREASINGLY MULTICULTURAL WITH RESIDENTS REFLECTING A VARIETY OF NATIONALITIES, LAN GUAGES, ETHNIC TRADITIONS, RELIGIOUS BELIEFS AND IDEOLOGIES, AND IS COMPOSED OF MANY DIFFE RENT FAMILY STRUCTURES THE MANCHESTER HSA HAS THE LARGEST POPULATION AND NUMBER OF JOBS, BUT ALSO HAS THE LOWEST AVERAGE INCOME LEVELS IN THE STATE INCREASINGLY, INCOMES ARE AILI NG TO MEET THE COSTS OF LIVING, INCLUDING THE COSTS OF STAYING HEALTHY AND PREPARING FOR E MERGENCIES POVERTY IS HIGHLY ASSOCIATED WITH RISKY BEHAVIORS, EDUCATIONAL ATTAINMENT, HEA LTH STATUS, EMPLOYMENT, AND SELF-REPORTED QUALITY OF LIFE RESIDENTS EXPERIENCE DISCREPANC IES IN HEALTH AND HEALTH CARE ACCESS THAT ARE ASSOCIATED WITH THEIR AGE, INCOMES, EDUCATIO NAL ATTAINMENT AND NEIGHBORHOOD THE ASSESSMENT IDENTIFIES A VARIETY OF HEALTH-RELATED CON CERNS IN THE CITY OF MANCHESTER AND THE HEALTH SERVICE AREA INCLUDING HEART DISEASE, MENTA L HEALTH, AMBULATORY-CARE SENSITIVE CONDITIONS, HEALTH RISK BEHAVIORS, SEXUAL HEALTH, SUBS TANCE ABUSE, EMERGENCY DEPARTMENT USE AND PREMATURE DEATH INADEQUATE TRANSPORTATION, HIGH COST OF HEALTH CARE, AND MEDICALLY UNDERSERVED AREAS EXIST IN THE REGION, AS DOES UNDER A ND OVERUSE OF EXISTING HEALTH SERVICES RESULTING I

Identifier	ReturnReference	Explanation
		N A FINANCIAL BURDEN FOR THE WHOLE COMMUNITY

Identifier	ReturnReference	Explanation
		PART VI, LINE 5 EH BELIEVES STRONGLY THAT OUR INVOLVEMENT IN COMMUNITY ORGANIZATIONS SUCH AS CHILD HEALTH SERVICES, MANCHESTER MENTAL HEALTH CENTER, YMCA AND MANY MORE, IS CRITICAL TO OUR EXEMPT PURPOSE WE DEPLOY HUNDREDS OF VOLUNTEERS THROUGHOUT THE STATE TO WORK WITH NON-PROFIT ORGANIZATIONS THAT ARE DOING THEIR PART TO HELP ERADICATE ILLNESSES AND POOR HEALTH CONDITIONS OR IMPROVE THE HEALTH AND WELLNESS OF PEOPLE MANY OF OUR LEADERS SERVE ON THE BOARDS OF THESE ORGANIZATIONS TO SHARE INSIGHT AND TO PARTICIPATE IN HELPING THEM ACHIEVE THEIR MISSION IN ADDITION TO THE VOLUNTEER TIME AND ENERGY, EH ALSO PROVIDES HUNDREDS OF THOUSANDS OF DOLLARS IN FINANCIAL SUPPORT TO ENSURE THAT THE CRITICAL WORK OF THESE ORGANIZATIONS IS ACHIEVED AND PEOPLE ARE HELPED WITH A RANGE OF ISSUES FROM MENTAL HEALTH CARE TO OBTAINING FOOD AND SHELTER ADDITIONALLY, GIVEN OUR HEALTH CARE SYSTEM AND HOW WIDESPREAD EH HAS BECOME IN THE COMMUNITY, WE OPEN OUR DOORS AND PROVIDE THE STAFF AND THE RESOURCES FOR LOCAL ISSUES THAT ARE UNFORESEEN BUT CREATE URGENT SITUATIONS FOR EXAMPLE, WHEN NH RESIDENTS WERE STUCK BY POWER OUTAGES FROM AN ICE STORM LASTING DAYS, EH KEPT PATIENTS (FREE OF CHARGE) IN THE HOSPITAL UNTIL POWER IN THE HOME AS RESTORED SO THAT THEY WOULD NOT SUFFER THE HARDSHIP OF LIVING WITHOUT HEAT AND POWER FOR DAY-TO-DAY STRUGGLES, EITHER WITH HOW TO COPE WITH THE LOSS OF A LOVED ONE OR WITH HOW TO COPE WITH CANCER, EH STAFF AND PROFESSIONALS OFFER FREE COMMUNITY SUPPORT GROUPS AND CLASSES TO REACH PEOPLE WHO ARE IN NEED OF HELP EH PRIDES ITSELF ON THESE ACTS OF HUMANITY BECAUSE IT DOES MEET OUR PURPOSE AND MISSION AND WTIHOUT QUESTION, PROMOTES THE HEALTH OF THE COMMUNITY

Identifier	ReturnReference	Explanation
		PART VI, LINE 6 EHS IS THE UMBRELLA ORGANIZATION UNDER WHICH ELLIOT HOSPITAL (EH), ELLIOT PHYSICIAN NETWORK (EPN), ELLIOT PROFESSIONAL SERVICES (EPS), THE VISITING NURSE ASSOCIATION OF MANCHESTER AND SOUTHERN NH (VNA), AND THE MARY & JOHN ELLIOT CHARITABLE FOUNDATION OPERATE ELLIOT HEALTH SYSTEM IS A HEALTH CARE SYSTEM THAT PROVIDES CARE TO RESIDENTS OF SOUTHERN NH SERVING A REGIONAL POPULATION OF OVER 250,000 RESIDENTS, MAKING IT ONE OF THE LARGEST PROVIDERS OF COMPREHENSIVE HEALTH CARE SERVICES IN SOUTHERN NH EACH OF THESE ORGANIZATIONS PLAYS A CRITICAL ROLE IN THE CONTINUUM OF CARE EHS DELIVERS TO THE COMMUNITY THUS PROMOTING HEALTH THE CORNERSTONE OF EHS IS EH, A PRIVATE, NOT FOR PROFIT HOSPITAL ESTABLISHED IN 1890, AND NOW A 296-BED ACUTE CARE FACILITY LOCATED IN MANCHESTER (NH'S LARGEST CITY) ON EHS'S MAIN CAMPUS EH IS A PREMIER HEALTH CARE PROVIDER IN MANY DISCIPLINES, SERVING AS THE DESIGNATED TRAUMA CENTER FOR THE MANCHESTER HSA, AND DESIGNATED RECEIVING FACILITY FOR PSYCHIATRIC PATIENTS IN THE REGION IN ADDITION EH PROVIDES MATERNITY AND PEDIATRIC SERVICES, NEWBORN INTENSIVE CARE, SURGERY, PAIN MANAGEMENT, WOUND MANAGEMENT, CARDIAC CARE, AND MUCH MORE EHS THROUGH THE EPN AND EPS, BOTH PRIVATE, NOT FOR PROFIT PHYSICIAN GROUPS, PROVIDES PRIMARY CARE AND SPECIALTY CARE VIA OVER 210 EMPLOYED PHYSICIANS AS FAR NORTH AS HOOKSETT, EAST TO RAYMOND, SOUTH TO WINDHAM AND WEST TO NEW BOSTON THE EPN HAS 26 PHYSICIAN PRACTICES IN THE GREATER MANCHESTER AREA PROVIDING ACCESS TO PROVIDERS THROUGHOUT THE LOCAL COMMUNITY IS CRITICAL TO SUPPORTING THE NEED TO HELP INDIVIDUALS BECOME ACTIVE IN THEIR HEALTH CARE AND VIGILANT ABOUT THEIR YEARLY EXAMS, VACCINES, AND MEDICATIONS EHS HAS A ROBUST ELECTRONIC MEDICAL RECORD (EMR) LINKING ALL OF THESE PROVIDERS WITH EH ALLOWING THE PROVIDER A COMPLETE UNDERSTANDING OF ANYTHING THAT MAY HAVE OCCURRED THROUGH THE EMERGENCY DEPARTMENT OR URGENT CARE THROUGHOUT THE YEAR THE EMR IS COMPLETE WITH THE LATEST LABORATORY RESULTS, DIAGNOSTIC IMAGES, AND OTHER TEST RESULTS THAT MAY AFFECT CARE GIVEN IN THE LOCAL PROVIDER'S OFFICE THE VNA IS ONE OF THE REGION'S OLDEST AND MOST COMPREHENSIVE NOT FOR PROFIT HOME HEALTH PROVIDERS, DEDICATED TO IMPROVING THE HEALTH AND WELL-BEING OF OUR COMMUNITY SINCE 1897 THE VNA HAS HELPED INDIVIDUALS AND THEIR FAMILIES FACE THE CHALLENGES OF RECOVERING FROM SURGERY, PHYSICAL DISABILITIES, AND SHORT-TERM, CHRONIC, AND LIFE-LIMITING ILLNESSES THROUGH A TRACE PROGRAM, EHS CAN ENSURE THAT OLDER ADULTS REQUIRING CARE AND WITH COMPLEX HEALTH CARE HISTORIES ARE GIVEN A CARE PLAN FROM THE HOSPITAL TO THE NURSING HOME (IF NECESSARY) AND TO THE HOME ALL OF THIS CARE IS ALSO LINKED THROUGH THE EMR AND THROUGH OUR USE OF TELE-MEDICINE, MANY PATIENTS ARE MONITORED "VIRTUALLY" EACH DAY WHILE IN THEIR HOME TELE-MEDICINE REQUIRES A PATIENT IN THEIR HOME TO CONNECT TO ELECTRONIC DEVICES THAT SEND INFORMATION BACK TO CARE PROVIDERS SHOWING SUCH THINGS AS BLOOD PRESSURE, PULSE, AND RESPIRATORY FUNCTION, SO THAT SHOULD INTERVENTION BE REQUIRED, A HEALTH CARE TEAM CAN BE SENT DIRECTLY TO THE PATIENT'S HOME FINALLY, THE MARY & JOHN ELLIOT CHARITABLE FOUNDATION IS A NOT FOR PROFIT, CHARITABLE ORGANIZATION CREATED TO PROVIDE FINANCIAL SUPPORT TO THE VARIOUS NEEDS OF EHS THE FOUNDATION IS COMMITTED TO BUILDING AN ONGOING CIRCLE OF FRIENDS WHOSE FINANCIAL SUPPORT WILL HELP EHS IDENTIFY AND MEET EMERGING HEALTHCARE NEEDS EH AND AFFILIATES (COLLECTIVELY EHS), WORK COLLABORATIVELY AND COLLECTIVELY (THROUGH THE EMR) ALLOWING EHS TO SERVE THE HEALTH CARE NEEDS OF PEOPLE IN THE MOST EFFICIENT MANNER AND HAS PROVIDED A PLATFORM FOR PROACTIVE PLANS FOR HEALTH MANAGEMENT

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

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
THE ELLIOT HOSPITAL OF THE CITY OF MANCHESTER

Employer identification number
02-0232673

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. Use Part IV and Schedule I-1 (Form 990) if additional space is needed . . . . . ▶ ☐

(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) CHILD HEALTH SERVICES1245 ELM STREET MANCHESTER,NH 03101	02-0348711	501(C)(3)	141,618	15,015	FMV	FINANCIAL REPORTING AND ACCOUNTS PAYABLE SERVICES	TO ASSIST IN MEETING DAY-TO-DAY OPERATIONS, PROVIDE SUPPORT FOR THE ACCOUNTING AND BOOKKEEPING DEPARTMENT
(2) MANCHESTER COMMUNITY HEALTH CENTER1415 ELM STREET MANCHESTER,NH 03101	02-0458174	501(C)(3)	175,000				TO ASSIST IN MEETING DAY-TO-DAY OPERATIONS

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . . . ▶ 2

3 Enter total number of other organizations listed in the line 1 table . . . . . ▶ 0

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
(1) PROVIDING TRANSPORTATION ASSISTANCE TO LOW INCOME FAMILIES(I-IMAGINE PROGRAM)	11	200			
(2) PROVIDE INTERIM ASSISTANCE OF FOOD, CLOTHING, AND BICYCLE HELMETS TO FAMILIES (I-IMAGINE PROGRAM)	36	1,133			

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 ELLIOT HOSPITAL MAINTAINS MEMBERS ON THE BOARD OF DIRECTORS FOR CHILD HEALTH SERVICES AND MANCHESTER COMMUNITY HEALTH CENTER

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
THE ELLIOT HOSPITAL OF THE CITY OF MANCHESTER

Employer identification number
02-0232673

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**	Yes	
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?	**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 Schedule J-1 if additional space 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) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, columns (D) and (E) for that individual

(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) DOUGLAS F DEAN	(i)	529,809	191,570	53,961	325,293	12,219	1,112,852	0
	(ii)	0	0	0	0	0	0	0
(2) RICK PHELPS	(i)	374,367	120,426	191,284	53,493	16,181	755,751	149,684
	(ii)	0	0	0	0	0	0	0
(3) RICHARD MARCUCCI MD	(i)	0	0	0	0	0	0	0
	(ii)	329,496	0	38,500	2,179	16,409	386,584	0
(4) ROBERT M LAVERY	(i)	0	0	0	0	0	0	0
	(ii)	536,193	0	38,500	0	12,456	587,149	0
(5) GUS EMMICK MD	(i)	0	0	0	0	0	0	0
	(ii)	285,798	0	16,500	1,826	15,938	320,062	0
(6) CHRISTOPHER S CALHOUN MD	(i)	0	0	0	0	0	0	0
	(ii)	136,563	0	6,011	11,224	15,816	169,614	0
(7) RICHARD ELWELL	(i)	338,211	105,377	268,390	116,187	11,684	839,849	221,290
	(ii)	0	0	0	0	0	0	0
(8) JOHN FRIBERG	(i)	249,679	45,000	23,321	1,479	15,751	335,230	0
	(ii)	0	0	0	0	0	0	0
(9) ALEXANDER W PETRON	(i)	296,038	0	14,490	0	14,488	325,016	0
	(ii)	0	0	0	0	0	0	0
(10) KEVIN B COUGHLIN	(i)	244,671	24,750	25,885	0	14,163	309,469	0
	(ii)	0	0	0	0	0	0	0
(11) ANITA RITENOUR MD	(i)	299,075	21,981	27,145	18,905	16,416	383,522	0
	(ii)	0	0	0	0	0	0	0
(12) ELIZABETH A HALE-CAMPOLI	(i)	251,781	18,540	12,300	1,214	2,344	286,179	0
	(ii)	0	0	0	0	0	0	0
(13) WILLIAM BAXTER	(i)	303,380	29,664	33,000	1,974	16,189	384,207	0
	(ii)	0	0	0	0	0	0	0

Part III Supplemental Information

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

Identifier	Return Reference	Explanation
	PART I, LINE 4B	DOUGLAS DEAN - $287,928, RICK PHELPS - $51,158, RICHARD ELWELL - $75,929, WILLIAM BAXTER - $33,960
	PART I, LINE 7	THE ORGANIZATION HAS ADOPTED AN INCENTIVE PAY PROGRAM THAT PROVIDES DESIGNATED MANAGEMENT EMPLOYEES AN OPPORTUNITY TO EARN A DESIGNATED PERCENTAGE OF SALARY BASED ON THE ACHIEVEMENT BY THE ORGANIZATION OF A NUMBER OF CRITICAL SUCCESS FACTORS THE CRITICAL SUCCESS FACTORS ARE ESTABLISHED ANNUALLY BY THE INDEPENDENT EXECUTIVE COMPENSATION COMMITTEE OF THE BOARD OF TRUSTEES WITH ASSISTANCE FROM AN INDEPENDENT NATIONAL COMPENSATION CONSULTING COMPANY THE MAXIMUM POTENTIAL INCENTIVE PAYMENTS UNDER THE PLAN ARE CONSIDERED BY THE COMPENSATION CONSULTANT IN ENSURING THAT MANAGEMENT COMPENSATION IS REASONABLE
SUPPLEMENTAL INFORMATION	PART III	THE SALARIES OF DOUGLAS DEAN, RICK PHELPS, AND RICHARD ELWELL REPRESENT SERVICES PROVIDED TO ALL RELATED ENTITIES
SUPPLEMENTAL INFORMATION	PART III	PART II LINE 2 AND 7 - DURING THE YEAR DR PHELPS AND MR ELWELL EACH WITHDREW FUNDS FROM THEIR DEFERRED COMPENSATION PLANS ($149,684 AND $221,290 RESPECTIVELY) AS SUCH THESE AMOUNTS ARE REPORTED IN COLUMN B(III) AND IN PRIOR YEARS CONTRIBUTIONS TO THEIR DEFERRED COMPENSATION PLANS WHICH SUPPORT THE CURRENT DISTRIBUTION REPORTED IN COLUMN C

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
THE ELLIOT HOSPITAL OF THE CITY OF MANCHESTER

Employer identification number
02-0232673

Part I Bond Issues

	(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	NH HEALTH & EDUCATION FACILITIES AUTHORITY	02-0279866	644614GK9	10-21-2003	32,245,816	REFINANCE 1987, 1991, 2001 BONDS		X		X		X
B	BUSINESS FINANCE AUTHORITY OF THE STATE OF NH REVENUE BONDS - 2009A	02-0279866	64468KBQ8	12-22-2009	130,000,000	FINANCE/REFINANCE COSTS OF CONSTRUCTION, REFINANCE 2008 BONDS		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired				
2	Amount of bonds defeased				
3	Total proceeds of issue	32,245,816	127,806,119		
4	Gross proceeds in reserve funds	2,810,960	11,505,106		
5	Capitalized interest from proceeds		6,134,168		
6	Proceeds in refunding escrow	28,988,859	30,000,000		
7	Issuance costs from proceeds	426,666	1,980,498		
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds		78,095,644		
11	Other spent proceeds				
12	Other unspent proceeds				
13	Year of substantial completion				

		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		X					
15	Were the bonds issued as part of an advance refunding issue?	X		X					
16	Has the final allocation of proceeds been made?	X		X					
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		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		X				
2	Are there any lease arrangements that may result in private business use of bond-financed property?		X		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		X				
b	If 'Yes' to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c	Are there any research agreements that may result in private business use of bond-financed property?		X		X				
d	If 'Yes' to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶		0 %		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 %		0 %				
6	Total of lines 4 and 5		0 %		0 %				
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X		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		X				
2	Is the bond issue a variable rate issue?	X		X					
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?		X		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		X				
b	Name of provider								
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
5	Were any gross proceeds invested beyond an available temporary period?		X		X				
6	Did the bond issue qualify for an exception to rebate?		X		X				

Part V Procedures To Undertake Corrective Action

Check the box if the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations . . . . . ☐ Yes ☑ No

Part VI Supplemental Information

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

Identifier	Return Reference	Explanation

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Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

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

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
THE ELLIOT HOSPITAL OF THE CITY OF MANCHESTER

Employer identification number
02-0232673

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

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

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

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

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

Part II Loans to and/or From Interested Persons.

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

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

Part III Grants or Assistance Benefitting Interested Persons.

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

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

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

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues? Yes	(e) Sharing of organization's revenues? No
(1) SCOTT BACON	BOARD MEMBER	30,000,000	ON JANUARY 15, 2009 TD BANKNORTH CLOSED A $30,000,000 LOAN TO ELLIOT HOSPITAL, GUARANTEED BY ELLIOT HEALTH SYSTEM SCOTT BACON IS PRESIDENT AND CEO OF TD BANKNORTH SUCH LOAN WAS REPAID IN DECEMBER OF 2009		No
(2) JAMES C HOOD ESQ	BOARD MEMBER	76,072	JAMES V HATEM, A PARTNER AT NIXON PEABODY, LLP, HAS BEEN CONSULTED BY ELLIOT HEALTH SYSTEM REGARDING SPECIALIZED CLAIMS AND REGULATORY LEGAL PROJECTS JAMES HOOD IS A PARTNER AT NIXON PEABODY, LLP		No
(3) JOHN FRIBERG JR	EMPLOYEE		LONG STANDING AND ONGOING ATTORNEY-CLIENT RELATIONSHIP BETWEEN EHS AND WADLEIGH LAW FIRM JOHN FRIBERG JR'S FATHER IS EMPLOYED BY THE WADLEIGH FIRM AND HAS WORKED ON MEDICAL MALPRACTICE CLAIMS FOR THE HOSPITAL		No
(4) DIANNE MERCIER	BOARD MEMBER		DIANNE IS PRESIDENT OF PEOPLE'S UNITED BANK AND SHE WAS THE TRUSTEE FOR THE JAN 2009 BOND PROCEEDS THE BANK IS ALSO DEPOSITORY FOR GRANITE SHIELD INSURANCE EXCHANGE OF WHICH EHS IS A MEMBER		No
(5) PETER KACHAVOS MD	ELLIOT BAY MEDICAL ASSOCIATES EMPLOYEE	66,700	THROUGH BMA REAL ESTATE (WHICH PETER IS A MEMBER/MANAGER WITH 50% OWNERSHIP), ELLIOT RENTS 4 ELLIOT WAY, SUITE 102, 104, 106 FOR $66,700 PER YEAR		No

Part V **Supplemental Information**

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

Identifier	Return Reference	Explanation

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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
THE ELLIOT HOSPITAL OF THE CITY OF MANCHESTER

Employer identification number
02-0232673

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 6	ELLIOT HEALTH SYSTEM IS THE SOLE MEMBER OF THE REPORTING ORGANIZATION
	FORM 990, PART VI, SECTION A, LINE 7A	ELLIOT HEALTH SYSYTEM IS THE SOLE MEMBER OF THE REPORTING ORGANIZATION, AND HAS BOARD MEMBERS WHO ARE ALSO BOARD MEMBERS OF THE REPORTING ORGANIZATION
	FORM 990, PART VI, SECTION B, LINE 11	THE COMPLETED 990 IS PRESENTED TO THE BOARD PRIOR TO FILING SPECIFIC KEY SECTIONS OF THE 990 ARE SINGLED OUT FOR ADDITIONAL DISCUSSION AND INPUT FROM BOARD MEMBERS
	FORM 990, PART VI, SECTION B, LINE 12C	OFFICERS, DIRECTORS, AND KEY EMPLOYEES ARE REQUIRED ANNUALLY TO SIGN A CONFLICT OF INTEREST FORM WHICH REQUIRES REPORTING ANY POTENTIAL CONFLICT OF INTEREST ARRANGEMENTS WITH THE ORGANIZATION
	FORM 990, PART VI, SECTION B, LINE 15	THE COMPENSATION COMMITTEE OF THE BOARD UTILIZES OUTSIDE COMPENSATION CONSULTANTS TO EVALUATE THE SALARIES FOR THE CEO, CFO, AND COO THE CONSULTANTS UTILIZE THEIR INTERNAL DATA ALONG WITH NATIONAL AND LOCAL BENCHMARK DATA FROM THE INDUSTRY TO DEVELOP SALARY LEVELS RECOMMENDATIONS OF THE CONSULTANT ARE REVIEWED BY THE COMPENSATION COMMITTEE, WHO RECOMMENDS COMPENSATION LEVELS TO THE FULL BOARD FOR APPROVAL AN OUTSIDE CONSULTING FIRM IS ALSO USED BY THE ORGANIZATION TO REVIEW THE COMPENSATION OF THE REMAINDER OF THE VP'S AGAIN NATIONAL AND LOCAL BENCHMARKS FOR SALARIES ARE CONSULTED TO DETERMINE SALARY LEVELS FOR THESE VP'S
	FORM 990, PART VI, SECTION C, LINE 19	EACH OF THESE DOCUMENTS IS FILED WITH THE NEW HAMPSHIRE SECRETARY OF STATE AND IS AVAILABLE UPON REQUEST
ALL OTHER FUNCTIONAL EXPENSES	FORM 990, PART X, LINE 24E	IMPLANTS & PROTHESIS PROGRAM SERVICE EXPENSES 9,285,771 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 9,285,771 MAINTENANCE & SERVICE CONTRACTS PROGRAM SERVICE EXPENSES 6,904,147 MANAGEMENT AND GENERAL EXPENSES 2,301,381 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 9,205,528 OTHER PROFESSIONAL FEES PROGRAM SERVICE EXPENSES 5,520,790 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 5,520,790 UTILITIES PROGRAM SERVICE EXPENSES 3,422,825 MANAGEMENT AND GENERAL EXPENSES 1,140,942 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 4,563,767 SOFTWARE LICENSE FEES PROGRAM SERVICE EXPENSES 3,411,629 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 3,411,629 EQUIPMENT RENTAL PROGRAM SERVICE EXPENSES 2,490,843 MANAGEMENT AND GENERAL EXPENSES 830,281 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 3,321,124 PHYSICIAN FEES PROGRAM SERVICE EXPENSES 3,014,349 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 3,014,349 MANAGEMENT FEES PROGRAM SERVICE EXPENSES 0 MANAGEMENT AND GENERAL EXPENSES 2,883,389 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 2,883,389 CONSULTING FEES PROGRAM SERVICE EXPENSES 2,329,621 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 2,329,621 RESTRUCTURING COSTS PROGRAM SERVICE EXPENSES 1,711,410 MANAGEMENT AND GENERAL EXPENSES 570,470 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 2,281,880 FOOD & DIETARY PROGRAM SERVICE EXPENSES 1,955,306 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 1,955,306 MINOR EQUIPMENT PURCHASES PROGRAM SERVICE EXPENSES 1,939,929 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 1,939,929 LAUNDRY & LINENS PROGRAM SERVICE EXPENSES 1,287,095 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 1,287,095 RECRUITMENT & RELOCATION FEES PROGRAM SERVICE EXPENSES 1,092,818 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 1,092,818 TELEPHONE PROGRAM SERVICE EXPENSES 816,386 MANAGEMENT AND GENERAL EXPENSES 272,128 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 1,088,514 OTHER OPERATING COSTS PROGRAM SERVICE EXPENSES 0 MANAGEMENT AND GENERAL EXPENSES 985,218 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 985,218 ICD 10 PROJECT PROGRAM SERVICE EXPENSES 0 MANAGEMENT AND GENERAL EXPENSES 940,735 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 940,735 MEDICAL SERVICES FEES PROGRAM SERVICE EXPENSES 905,926 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 905,926 PURCHASED LABOR PROGRAM SERVICE EXPENSES 701,559 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 701,559 PRINTING & PUBLICATIONS PROGRAM SERVICE EXPENSES 0 MANAGEMENT AND GENERAL EXPENSES 530,646 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 530,646 TRUST FUND FEES PROGRAM SERVICE EXPENSES 0 MANAGEMENT AND GENERAL EXPENSES 407,505 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 407,505 COLLECTION FEES PROGRAM SERVICE EXPENSES 0 MANAGEMENT AND GENERAL EXPENSES 377,702 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 377,702 POSTAGE & SHIPPING PROGRAM SERVICE EXPENSES 0 MANAGEMENT AND GENERAL EXPENSES 366,166 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 366,166 BANK & CREDIT CARD FEES PROGRAM SERVICE EXPENSES 0 MANAGEMENT AND GENERAL EXPENSES 300,437 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 300,437 DUES & MEMBERSHIPS PROGRAM SERVICE EXPENSES 283,441 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 283,441 EDUCATION & TRAINING PROGRAM SERVICE EXPENSES 210,953 MANAGEMENT AND GENERAL EXPENSES 70,316 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 281,269 PERMITS & FEES PROGRAM SERVICE EXPENSES 271,650 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 271,650 VEHICLE EXPENSE PROGRAM SERVICE EXPENSES 188,556 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 188,556 VALET PARKING PROGRAM SERVICE EXPENSES 114,792 MANAGEMENT AND GENERAL EXPENSES 0 FUNDRAISING EXPENSES 0 TOTAL EXPENSES 114,792
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	UNREALIZED GAIN/LOSS - UNRESTRICTED FUND -1,724,800 PENSION ADJUSTMENT -42,588,265 UNREALIZED GAIN/LOSS - TEMPORARILY RESTRICTED FUNDS -26,604 UNREALIZED GAIN/LOSS - PERMANENTLY RESTRICTED FUNDS -272,000 GRANT PROCEEDS RECEIVED FOR CAPITAL PURCHASE TOTAL TO FORM 990, PART XI, LINE 5 -44,611,669

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
THE ELLIOT HOSPITAL OF THE CITY OF MANCHESTER

Employer identification number
02-0232673

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
See Additional Data Table							

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
(1) ELLIOT COMMON TRUST FUND LLC 1 ELLIOT WAY MANCHESTER, NH 03103 20-3653624	INVESTMENTS	NH		N/A	2,060,060	66,661,940		No			No	

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

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

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

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

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

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

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) ELLIOT PROFESSIONAL SERVICES	H	15,433	CASH
(2) ELLIOT PROFESSIONAL SERVICES	O	4,704,102	CASH
(3) ELLIOT PHYSICIAN NETWORK	O	640,860	CASH
(4) ELLIOT PROFESSIONAL SERVICES	P	10,735,014	CASH
(5) ELLIOT PHYSICIAN NETWORK	P	15,625,121	CASH
(6) ELLIOT HEALTH SYSTEM PROFESSIONAL & GENERAL LIABILITY INSURANCE TRUST	R	5,264,808	CASH

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) Predominant income(related, unrelated, excluded from tax under sections 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	

Schedule R (Form 990) 2011

Part VII Supplemental Information

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

Identifier	Return Reference	Explanation	

Additional Data

Return to Form

Software ID:
Software Version:
EIN: 02-0232673
Name: THE ELLIOT HOSPITAL OF THE CITY OF MANCHESTER

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 501(c)(3))	(f) Direct Controlling Entity	g Section 512(b)(13) controlled organization	
ELLIOT HEALTH SYSTEM PROFESSIONAL & GENERAL LIABILITY INSURANCE TRUST 1070 HOLT AVENUE UNIT 1 STE 2100 MANCHESTER, NH 03109 01-6217452	INSURANCE TRUST	NH	501(C)3	LINE 11, TYPE II	ELLIOT HEALTH SYSTEM		No
ELLIOT HEALTH SYSTEM 1070 HOLT AVENUE UNIT 1 STE 2100 MANCHESTER, NH 03109 02-0509911	HOLDING COMPANY	NH	501(C)3	LINE 3			No
ELLIOT PHYSICIAN NETWORK 1070 HOLT AVENUE UNIT 1 STE 2100 MANCHESTER, NH 03109 02-0509589	PHYSICIAN SERVICES	NH	501(C)3	LINE 3	ELLIOT HEALTH SYSTEM	Yes	
ELLIOT PROFESSIONAL SERVICES 1070 HOLT AVENUE UNIT 1 STE 2100 MANCHESTER, NH 03109 33-1003630	PHYSICIAN SERVICES	NH	501(C)3	LINE 9	ELLIOT HEALTH SYSTEM	Yes	
VNA OF MANCHESTER & SOUTHERN NH & SUBS 33 SOUTH COMMERCIAL STREET SUITE 40 MANCHESTER, NH 03101 02-0395296	VNA HOLDING COMPANY	NH	501(C)3	LINE 7	ELLIOT HOSPITAL		No
JOHN & MARY ELLIOT CHARITABLE FOUNDATION 1070 HOLT AVENUE UNIT 1 STE 2100 MANCHESTER, NH 03109 02-0512229	FUNDRAISING	NH	501(C)3	LINE 7	ELLIOT HEALTH SYSTEM		No
VNA HOME HEALTH & HOSPICE SERVICES INC 33 SOUTH COMMERCIAL STREET SUITE 40 MANCHESTER, NH 03101 02-0222241	HOME CARE & HOSPICE SERVICES	NH	501(C)3	LINE 11, TYPE II	VNA OF MANCHESTER & SOUTHERN NH INC		No
VNA COMMUNITY SERVICES INC 33 SOUTH COMMERCIAL STREET SUITE 40 MANCHESTER, NH 03101 02-0396549	NURSING SERVICES	NH	501(C)3	LINE 11, TYPE II	VNA OF MANCHESTER & SOUTHERN NH INC		No
VNA PERSONAL SERVICES INC 33 SOUTH COMMERCIAL STREET SUITE 40 MANCHESTER, NH 03101 02-0395295	PRIVATE HEALTH & HOMEMAKER SERVICES	NH	501(C)3	LINE 11, TYPE II	VNA OF MANCHESTER & SOUTHERN NH 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) ELLIOT PROFESSIONAL SERVICES	H	15,433	CASH
(2) ELLIOT PROFESSIONAL SERVICES	O	4,704,102	CASH
(3) ELLIOT PHYSICIAN NETWORK	O	640,860	CASH
(4) ELLIOT PROFESSIONAL SERVICES	P	10,735,014	CASH
(5) ELLIOT PHYSICIAN NETWORK	P	15,625,121	CASH
(6) ELLIOT HEALTH SYSTEM PROFESSIONAL & GENERAL LIABILITY INSURANCE TRUST	R	5,264,808	CASH

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TY 2011 Affiliated Group Schedule

Name: THE ELLIOT HOSPITAL OF THE CITY OF MANCHESTER

EIN: 02-0232673

Affiliated Group Business Name:	ELLIOT HEALTH SYSTEM
Address. Either US or Foreign Type:	1070 HOLT AVE UNIT 1 SUITE 2100 MANCHESTER, NH 03109
EIN:	02-0509911
Electing Organization Checkbox:	☐
Total Grassroots Lobbying:	0
Total Direct Lobbying:	0
Total Lobbying Expenditures:	0
Other Exempt Purpose Expenditures:	0
Total Exempt Purpose Expenditures:	0
Lobbying Nontaxable Amount:	0
Grassroots Nontaxable Amount:	0
Tot Lobbying Grassroot Minus Non Tx:	0
Tot Lobby Expend Mns Lobbying Non Tx:	0
Share Of Excess Lobbying:	0

Affiliated Group Business Name:	VNA OF MANCHESTER AND SOUTHERN NH INC & SUBSIDIARIES
Address. Either US or Foreign Type:	33 SOUTH COMMERCIAL ST SUITE 401 MANCHESTER, NH 03101
EIN:	02-0395296
Electing Organization Checkbox:	☐
Total Grassroots Lobbying:	0
Total Direct Lobbying:	0
Total Lobbying Expenditures:	0
Other Exempt Purpose Expenditures:	0
Total Exempt Purpose Expenditures:	0
Lobbying Nontaxable Amount:	0
Grassroots Nontaxable Amount:	0
Tot Lobbying Grassroot Minus Non Tx:	0
Tot Lobby Expend Mns Lobbying Non Tx:	0
Share Of Excess Lobbying:	0

Affiliated Group Business Name:		ELLIOT HOSPITAL
Address. Either US or Foreign Type:		1 ELLIOT WAY MANCHESTER, NH 03103
EIN:		02-0232673
Electing Organization Checkbox:		☑
Total Grassroots Lobbying:	188,723	
Total Direct Lobbying:	0	
Total Lobbying Expenditures:	188,723	
Other Exempt Purpose Expenditures:	0	
Total Exempt Purpose Expenditures:	188,723	
Lobbying Nontaxable Amount:	37,745	
Grassroots Nontaxable Amount:	9,436	
Tot Lobbying Grassroot Minus Non Tx:	179,287	
Tot Lobby Expend Mns Lobbying Non Tx:	150,978	
Share Of Excess Lobbying:	0	

Affiliated Group Business Name:		ELLIOT PROFESSIONAL SERVICES
Address. Either US or Foreign Type:		1070 HOLT AVE UNIT 1 SUITE 2100 MANCHESTER, NH 03109
EIN:		33-1003630
Electing Organization Checkbox:		☐
Total Grassroots Lobbying:	0	
Total Direct Lobbying:	0	
Total Lobbying Expenditures:	0	
Other Exempt Purpose Expenditures:	0	
Total Exempt Purpose Expenditures:	0	
Lobbying Nontaxable Amount:	0	
Grassroots Nontaxable Amount:	0	
Tot Lobbying Grassroot Minus Non Tx:	0	
Tot Lobby Expend Mns Lobbying Non Tx:	0	
Share Of Excess Lobbying:	0	

Affiliated Group Business Name:	ELLIOT PHYSICIAN NETWORK
Address. Either US or Foreign Type:	1070 HOLT AVE UNIT 1 SUITE 2100 MANCHESTER, NH 03109
EIN:	02-0509589
Electing Organization Checkbox:	☐
Total Grassroots Lobbying:	0
Total Direct Lobbying:	0
Total Lobbying Expenditures:	0
Other Exempt Purpose Expenditures:	0
Total Exempt Purpose Expenditures:	0
Lobbying Nontaxable Amount:	0
Grassroots Nontaxable Amount:	0
Tot Lobbying Grassroot Minus Non Tx:	0
Tot Lobby Expend Mns Lobbying Non Tx:	0
Share Of Excess Lobbying:	0

Affiliated Group Business Name:	ELLIOT HEALTH SYSTEM HOLDINGS INC & SUBSIDIARIES
Address. Either US or Foreign Type:	1070 HOLT AVE UNIT 1 SUITE 2100 MANCHESTER, NH 03109
EIN:	02-0512224
Electing Organization Checkbox:	☐
Total Grassroots Lobbying:	0
Total Direct Lobbying:	0
Total Lobbying Expenditures:	0
Other Exempt Purpose Expenditures:	0
Total Exempt Purpose Expenditures:	0
Lobbying Nontaxable Amount:	0
Grassroots Nontaxable Amount:	0
Tot Lobbying Grassroot Minus Non Tx:	0
Tot Lobby Expend Mns Lobbying Non Tx:	0
Share Of Excess Lobbying:	0

Affiliated Group Business Name:	JOHN & MARY ELLIOT CHARITABLE FOUNDATION
Address. Either US or Foreign Type:	1070 HOLT AVE UNIT 1 SUITE 2100 MANCHESTER, NH 03109
EIN:	02-0512229
Electing Organization Checkbox:	☐
Total Grassroots Lobbying:	0
Total Direct Lobbying:	0
Total Lobbying Expenditures:	0
Other Exempt Purpose Expenditures:	0
Total Exempt Purpose Expenditures:	0
Lobbying Nontaxable Amount:	0
Grassroots Nontaxable Amount:	0
Tot Lobbying Grassroot Minus Non Tx:	0
Tot Lobby Expend Mns Lobbying Non Tx:	0
Share Of Excess Lobbying:	0

Affiliated Group Business Name:	ELLIOT COMMON TRUST FUND LLC
Address. Either US or Foreign Type:	1 ELLIOT WAY MANCHESTER, NH 03103
EIN:	02-3653624
Electing Organization Checkbox:	☐
Total Grassroots Lobbying:	0
Total Direct Lobbying:	0
Total Lobbying Expenditures:	0
Other Exempt Purpose Expenditures:	0
Total Exempt Purpose Expenditures:	0
Lobbying Nontaxable Amount:	0
Grassroots Nontaxable Amount:	0
Tot Lobbying Grassroot Minus Non Tx:	0
Tot Lobby Expend Mns Lobbying Non Tx:	0
Share Of Excess Lobbying:	0

Affiliated Group Business Name:	ELLIOT HEALTH SYSTEM PROFESSIONAL & GENERAL LIABILITY INSURANCE TRUST
Address. Either US or Foreign Type:	1 ELLIOT WAY MANCHESTER, NH 03101
EIN:	01-6217452
Electing Organization Checkbox:	☐
Total Grassroots Lobbying:	0
Total Direct Lobbying:	0
Total Lobbying Expenditures:	0
Other Exempt Purpose Expenditures:	0
Total Exempt Purpose Expenditures:	0
Lobbying Nontaxable Amount:	0
Grassroots Nontaxable Amount:	0
Tot Lobbying Grassroot Minus Non Tx:	0
Tot Lobby Expend Mns Lobbying Non Tx:	0
Share Of Excess Lobbying:	0

BAKER NEWMAN NOYES

Elliot Hospital and Affiliates

Audited Consolidated Financial Statements
and Other Financial Information

Years Ended June 30, 2012 and 2011
With Independent Auditors' Report

ELLIOT HOSPITAL AND AFFILIATES

AUDITED CONSOLIDATED FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION

June 30, 2012 and 2011

TABLE OF CONTENTS

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Elliot Hospital and Affiliates

We have audited the accompanying consolidated balance sheets of Elliot Hospital and Affiliates (the Hospital) as of June 30, 2012 and 2011, and the related consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Elliot Hospital and Affiliates at June 30, 2012 and 2011, and the results of their operations, changes in their net assets and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Baker Newman & Noyes

Limited Liability Company

Manchester, New Hampshire
October 4, 2012

ELLIOT HOSPITAL AND AFFILIATES

CONSOLIDATED BALANCE SHEETS

June 30, 2012 and 2011

ASSETS

	2012	2011
Current assets:		
Cash and cash equivalents	$ 28,283,098	$ 25,695,341
Accounts receivable, less allowance for doubtful accounts of $25,473,851 in 2012 and $21,438,412 in 2011 (notes 2 and 11)	39,496,103	35,285,398
Inventories	2,143,884	2,184,162
Other current assets	7,484,315	8,427,584
Total current assets	77,407,400	71,592,485
Property, plant and equipment, less accumulated depreciation (notes 4, 5 and 12)	170,739,806	176,803,347
Other assets:		
Unamortized bond issuance costs, net	2,042,022	2,130,497
Other	6,613,120	4,803,683
	8,655,142	6,934,180
Assets whose use is limited (notes 6 and 13):		
Board designated and donor restricted investments	74,471,406	78,860,167
Held by trustee under revenue bond and note agreements (note 5)	17,667,799	16,116,081
Employee benefit plans and other (note 2)	6,473,051	4,865,050
Beneficial interest in perpetual trusts	5,607,376	5,879,402
	104,219,632	105,720,700
Total assets	$361,021,980	$361,050,712

LIABILITIES AND NET ASSETS

	2012	2011
Current liabilities:		
Accounts payable and accrued expenses	$ 18,303,727	$ 15,440,439
Accrued salaries, wages and related accounts	18,956,459	19,890,964
Accrued interest	2,295,750	2,281,592
Amounts payable to third-party payors (note 3)	7,985,294	7,042,850
Amounts due to affiliates	64,756	743,798
Current portion of long-term debt (note 5)	1,784,935	2,075,714
Total current liabilities	49,390,921	47,475,357
Accrued pension (note 7)	72,651,170	27,318,679
Self-insurance reserves and other liabilities	17,437,419	18,727,433
Long-term debt, less current portion (note 5)	151,598,046	153,115,023
Total liabilities	291,077,556	246,636,492
Net assets:		
Unrestricted	56,352,616	100,553,729
Temporarily restricted	1,696,380	1,722,984
Permanently restricted	11,895,428	12,137,507
	69,944,424	114,414,220
Total liabilities and net assets	$361,021,980	$361,050,712

See accompanying notes.

ELLIOT HOSPITAL AND AFFILIATES

CONSOLIDATED STATEMENTS OF OPERATIONS

Years Ended June 30, 2012 and 2011

	2012	2011
Net patient service revenues (net of contractual allowances and discounts) (notes 3 and 9)	$428,507,173	$382,248,680
Provision for bad debts (note 2)	(49,712,603)	(36,667,236)
Net patient service revenues less provision for bad debts	378,794,570	345,581,444
Disproportionate share funding (note 3)	–	16,761,495
Investment income (note 6)	2,000,337	2,909,064
Other revenues	12,679,791	12,041,546
Total revenues	393,474,698	377,293,549
Expenses (note 10):		
Salaries, wages and fringe benefits (note 7)	245,349,664	234,777,792
Supplies and other expenses	109,686,161	106,916,485
Depreciation and amortization	17,972,055	15,260,250
New Hampshire Medicaid Enhancement Tax (note 3)	16,107,100	14,611,546
Interest	9,350,165	5,216,817
Restructuring costs (note 3)	2,328,331	–
Total expenses	400,793,476	376,782,890
(Loss) income from operations	(7,318,778)	510,659
Nonoperating gains (losses):		
Investment return (notes 2 and 6)	(27,112)	2,954,071
Other (notes 2, 8 and 9)	4,400,318	1,927,767
Nonoperating gains, net	4,373,206	4,881,838
(Deficiency) excess of revenues and nonoperating gains (losses) over expenses	(2,945,572)	5,392,497
Net unrealized gain on investments (notes 2 and 6)	–	6,610,387
Pension adjustment (note 7)	(45,608,918)	20,301,431
Net transfers from affiliates (note 8)	4,353,377	1,463,319
(Decrease) increase in unrestricted net assets	$(44,201,113)	$ 33,767,634

See accompanying notes.

ELLIOT HOSPITAL AND AFFILIATES

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

Years Ended June 30, 2012 and 2011

	Unrestricted Net Assets	Temporarily Restricted Net Assets	Permanently Restricted Net Assets	Total
Balances at July 1, 2010	$ 66,786,095	$1,406,997	$11,364,031	$ 79,557,123
Excess of revenues and nonoperating gains (losses) over expenses	5,392,497	–	–	5,392,497
Restricted gifts and bequests	–	–	50,000	50,000
Investment income and net gain on investments (note 6)	–	113,891	6,064	119,955
Net unrealized gain on investments (note 6)	6,610,387	202,096	717,412	7,529,895
Pension adjustment (note 7)	20,301,431	–	–	20,301,431
Net transfers from affiliates (note 8)	1,463,319	–	–	1,463,319
Increase in net assets	33,767,634	315,987	773,476	34,857,097
Balances at June 30, 2011	100,553,729	1,722,984	12,137,507	114,414,220
Deficiency of revenues and non-operating gains (losses) over expenses	(2,945,572)	–	–	(2,945,572)
Investment income and net gain on investments (note 6)	–	–	29,921	29,921
Net unrealized loss on investments (note 6)	–	(26,604)	(272,000)	(298,604)
Pension adjustment (note 7)	(45,608,918)	–	–	(45,608,918)
Net transfers from affiliates (note 8)	4,353,377	–	–	4,353,377
Decrease in net assets	(44,201,113)	(26,604)	(242,079)	(44,469,796)
Balances at June 30, 2012	$ 56,352,616	$1,696,380	$11,895,428	$ 69,944,424

See accompanying notes.

ELLIOT HOSPITAL AND AFFILIATES

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended June 30, 2012 and 2011

	2012	2011
Operating activities and net gains:		
(Decrease) increase in net assets	$ (44,469,796)	$ 34,857,097
Adjustments to reconcile (decrease) increase in net assets to net cash provided by operating activities and net gains:		
Depreciation and amortization	17,972,055	15,260,250
Loss on disposal of fixed assets	35,801	21,306
Restricted investment income and net gain on investments	(29,921)	(119,955)
Restricted gifts and bequests	–	(50,000)
Net transfers (from) to affiliates	(4,353,377)	(1,463,319)
Pension adjustment	45,608,918	(20,301,431)
Net realized and unrealized losses (gains) on investments	694,819	(10,119,252)
Changes in operating assets and liabilities:		
Accounts receivable, net	(4,210,705)	(2,085,851)
Inventories	40,278	(89,869)
Other current and noncurrent assets	(991,158)	(5,793,139)
Accounts payable and accrued expenses	2,863,288	(483,968)
Accrued salaries, wages and related accounts	(934,505)	3,352,569
Accrued interest	14,158	(19,284)
Amounts due to affiliates	(679,042)	791,302
Accrued pension	(276,427)	1,262,608
Self-insurance reserves and other liabilities	(1,290,014)	(5,844,534)
Amounts payable to third-party payors	942,444	(915,563)
Net cash provided by operating activities and net gains	10,936,816	8,258,967
Investing activities:		
Acquisition of property, plant and equipment, net of disposals	(11,437,324)	(66,425,075)
Decrease in assets whose use is limited	806,249	55,802,267
Net cash used by investing activities	(10,631,075)	(10,622,808)
Financing activities:		
Repayment of notes payable, debt and capital lease obligations	(2,101,282)	(2,243,449)
Net cash transfers from affiliates	4,353,377	1,463,319
Restricted investment income and net gain on sale of investments	29,921	119,955
Restricted gifts and bequests	–	50,000
Net cash provided (used) by financing activities	2,282,016	(610,175)
Increase (decrease) in cash and cash equivalents	2,587,757	(2,974,016)
Cash and cash equivalents at beginning of year	25,695,341	28,669,357
Cash and cash equivalents at end of year	$ 28,283,098	$ 25,695,341
Noncash investing and financing activities:		
Assets acquired under capital lease agreements	$ 207,019	$ –
Land acquisition financed with note payable	$ –	$ 2,500,000

See accompanying notes.

1. Organization

Elliot Hospital is a not-for-profit acute care hospital which serves residents of Southern New Hampshire. Elliot Health System (the System) is the sole member of Elliot Hospital.

The sole corporate member for Elliot Physician Network (EPN), a not-for-profit network of primary care physicians, and Elliot Professional Services (EPS), a not-for-profit network of specialty care physicians, is Elliot Hospital. These consolidated financial statements reflect the combined financial position, results of operations and cash flows of EPN, EPS and Elliot Hospital. These entities are collectively referred to as "the Hospital" in these consolidated financial statements.

Elliot Hospital (excluding EPN and EPS) and the System comprise the Obligated Group as defined under a Master Trust Indenture dated October 1, 2003 (as amended) under the 2003 and 2009 bond offerings. See note 5.

2. Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of Elliot Hospital, EPN and EPS. All significant intercompany balances and transactions have been eliminated in the consolidation.

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 does not pursue collection of amounts determined to qualify as charity care, and therefore they are not reported as revenue. See note 9 with respect to costs of charity care.

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.

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. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, per diem payments and fee schedules. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Changes in these estimates are reflected in the consolidated financial statements in the year in which they occur

2. Significant Accounting Policies (Continued)

The Hospital recognizes patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the services rendered. For uninsured patients, the Hospital provides a discount approximately equal to that of its largest private insurance payors. On the basis of historical experience, a significant portion of the Hospital's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Hospital records a significant provision for bad debts related to uninsured patients in the period the services are provided. An estimated breakdown of patient service revenue, net of contractual allowances, discounts and provision for bad debts recognized in 2012 from these major payor sources, is as follows:

	Gross Patient Service Revenues	Contractual Allowances and Discounts	Provision for Bad Debts	Net Patient Service Revenues Less Provision for Bad Debts
Private payors (includes coinsurance and deductibles)	$ 402,425,229	$123,506,708	$25,835,827	$ 253,082,694
Medicaid	89,679,031	70,968,589	–	18,710,442
Medicare	289,598,913	183,302,006	2,132,671	104,164,236
Self-pay	32,126,873	7,545,570	21,744,105	2,837,198
	$ 813,830,046	$385,322,873	$49,712,603	$ 378,794,570

Accounts Receivable and the Allowance for Doubtful Accounts

Accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectibility of accounts receivable, the Hospital analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. For receivables associated with 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, or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely). 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 provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

The Hospital's allowance for doubtful accounts for self-pay patients increased from 83% of self-pay accounts receivable at June 30, 2011 to 84% of self-pay accounts receivable at June 30, 2012. The Hospital's self-pay bad debt writeoffs increased $9,358,628 from $42,010,806 in 2011 to $51,369,434 in 2012. The increase in the allowance as a percentage of self-pay accounts receivable and bad debt writeoffs was a result of collection trends.

2. Significant Accounting Policies (Continued)

Income Taxes

Elliot Hospital, EPN and EPS are not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code, and are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. Management evaluated the Hospital's tax positions and concluded the Hospital has maintained its tax-exempt status, does not have any significant unrelated business income and had taken no uncertain tax positions that require adjustment to the consolidated 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 2009.

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.

The consolidated statements of operations also include (deficiency) excess of revenues and nonoperating gains (losses) over expenses. Changes in unrestricted net assets which are excluded from (deficiency) excess of revenues and nonoperating gains (losses) over expenses, consistent with industry practice, include the change in net unrestricted unrealized gains and losses on investments prior to the Hospital's determination that its investment portfolio was more accurately classified as trading and its election to use the fair value option of reporting newly acquired investment changes, net assets released from restrictions for capital purchases, pension adjustments, and transfers to or from affiliates.

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 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 consolidated 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 in perpetuity.

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

Investments and Investment Income

Investments, including funds held by trustee under revenue bond agreements, are carried at fair value in the consolidated balance sheets. Realized gains or losses on the sale of investment securities are determined by the specific identification method. Investment income on unrestricted investments is reported with revenues and other support. Unrestricted investment income on temporarily and permanently restricted investments and net realized gains (losses) are reported as nonoperating gains (losses).

2. Significant Accounting Policies (Continued)

In previous years, substantially all of the Hospital's investments were classified as nontrading and available for sale. As such, unrealized gains and losses that were considered temporary were excluded from excess of revenues and gains over expenses. During 2012, the Hospital determined that substantially all its investment portfolio was more accurately classified as trading, with unrealized gains and losses included in (deficiency) excess of revenue and nonoperating gains (losses) over expenses. In addition, effective July 1, 2011, the Hospital adopted the fair value option of ASC Topic 825 for new investment purchases. Under this guidance, entities may elect to report financial instruments and certain other items at fair value on a contract-by-contract basis with changes in value reported in the (deficiency) excess of revenue and nonoperating gains (losses) over expenses. The election was made for all newly acquired financial instruments classified as board designated and donor restricted investments, assets whose use is limited and held by trustees under revenue bond and note agreements, and employee benefit plan and other investments. The Hospital made this election to reflect changes in the fair value, including both increases and decreases in value (whether realized or unrealized), within the (deficiency) excess of revenue and nonoperating gains (losses) over expenses. These changes resulted in a $1,724,797 decrease to nonoperating gains for the year ended June 30, 2012 Unrealized gains and losses on investments were excluded from the (deficiency) excess of revenues and nonoperating gains over expenses in 2011.

Beneficial Interest in Perpetual Trusts

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

Investment Policies

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

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

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

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

2. Significant Accounting Policies (Continued)

Management of these assets is designed to maximize total return while preserving the capital values of the funds, protecting the funds from inflation, and providing liquidity as needed. The objective is to provide a real rate of return that meets inflation, plus 4.5%, over a long-term time horizon (greater than 7 to 10 years).

The Hospital targets a diversified asset allocation that places emphasis on achieving its long-term return objectives within prudent risk constraints.

Spending Policy for Appropriation of Assets for Expenditure

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.

Spending policies may be adopted by the Hospital, from time to time, to provide a stream of funding for the support of key programs. The spending policies are structured in a manner to ensure that the purchasing power of the assets is maintained while providing the desired level of annual funding to the programs. The Hospital currently has a policy allowing interest and dividend income earned on investments to be used for operations with the goal of keeping principal, including its appreciation, intact.

Inventories

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

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 straight-line method over the life of the bonds. The original issue discount is presented as a reduction of the face amount of bonds payable.

Property, Plant and Equipment

Property, plant and equipment is stated at cost at time of purchase, or fair market 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 in progress and no depreciation expense is recorded.

2. Significant Accounting Policies (Continued)

Federal Grant Revenue and Expenditures

Revenues and expenses under federal grant programs are recognized as the related expenditure is incurred.

Advertising Expense

Advertising costs are expensed as incurred and totaled approximately $1,419,000 and $1,589,000 in 2012 and 2011, respectively.

Retirement Benefits

The Hospital participates in a defined benefit pension plan for certain of its employees, the Elliot Health System Pension Plan (the Plan), which is sponsored by the System.

Effective July 1, 2006, the Plan was amended to close the Plan to employees hired after June 30, 2006. Eligible employees hired prior to July 1, 2006 are grandfathered under the Plan and will continue to accrue benefits as long as they remain at a participating System entity and in an eligible status.

The System's funding policy is to contribute amounts to the Plan sufficient to meet minimum funding requirements set forth in the *Employee Retirement Income Security Act of 1974*, plus such additional amounts as might be determined to be appropriate from time to time The Plan is intended to constitute a plan described in Section 414(k) of the Internal Revenue Code, under which benefits derived from employer contributions are based on the separate account balances of participants in addition to the defined benefits under the Plan.

The System provides, and the Hospital participates in, a defined contribution program for all eligible employees hired on or after July 1, 2006. Under this program, eligible employees may receive annual employer contributions to a System sponsored tax sheltered annuity plan or 401(k) plan up to 3% of annual base pay.

The System also provides discretionary matching contributions to a tax sheltered annuity plan or 401(k) plan equal to up to one-half of the employee's contribution to a maximum of 4% of their annual base pay. Total expense incurred by the Hospital was $2,641,597 and $3,232,146 under these defined contribution plans for the years ended June 30, 2012 and 2011, respectively.

The System sponsors deferred compensation plans for certain qualifying employees. The amounts ultimately due to employees are to be paid upon the employees attaining certain criteria, including age. At June 30, 2012 and 2011, approximately $6,473,000 and $4,865,000, respectively, is reflected in assets whose use is limited and $6,323,000 and $4,665,000, respectively, in other long-term liabilities related to such agreements.

2. Significant Accounting Policies (Continued)

Workers' Compensation

The Hospital participates in a self-insured irrevocable workers' compensation trust, sponsored by the System, to fund anticipated losses for workers' compensation claims. The System maintains an excess insurance policy to limit its exposure on claims to $500,000 per occurrence. Reserves for claims made and potential unreported claims have been established to provide for incurred but unpaid claims. The amount of the reserve has been determined by an actuarial consultant.

Employee Health and Dental Insurance

The Hospital participates in a self-insurance plan for employee health and dental, sponsored by the System. Under the terms of the plan, employees meeting certain eligibility requirements and their dependents are eligible for participation and, as such, the System is responsible for the administration of the plan and any resultant liability incurred. The System maintains individual and aggregate stop-loss insurance coverage.

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 subject to certain limits. The Hospital accrues a liability for such paid leave as it is earned.

Malpractice Loss Contingencies

Prior to February 1, 2011, the System, including the Hospital, was insured against malpractice loss contingencies under claims-made insurance policies. A claims-made policy provides specific coverage for claims made during the policy period. The System maintained excess professional and general liability insurance policies to cover claims in excess of liability retention levels. Effective February 1, 2011, the System, including the Hospital, insures its medical malpractice risks through a multiprovider captive insurance company Premiums paid are based upon actuarially determined amounts to adequately fund for expected losses. At June 30, 2012, there were no known malpractice claims outstanding for the Hospital which, in the opinion of management, will be settled for amounts in excess of insurance coverage, nor were there any unasserted claims or incidents which required specific loss accruals The captive retains and funds up to actuarial expected loss amounts, and obtains reinsurance at various attachment points for individual and aggregate claims in excess of funding in accordance with industry practices. The Hospital's interest in the captive represents approximately 53% of the captive, although control of the captive is equally shared by participating hospitals. The Hospital has recorded its interest in the captive's equity, totaling approximately $2,716,000 and $1,590,000 at June 30, 2012 and 2011, respectively, in other assets on the accompanying consolidated balance sheets. Changes in the Hospital's interest are included in nonoperating gains (losses) on the accompanying consolidated statements of operations. The Hospital has established reserves to cover professional liability exposures for incurred but unpaid or unreported claims. The amounts of the reserves have been determined by actuarial consultants. The possibility exists, as a normal risk of doing business, that malpractice claims in excess of insurance coverage may be asserted against the Hospital

2. Significant Accounting Policies (Continued)

In accordance with Accounting Standards Update (ASU) No. 2010-24, "*Health Care Entities*" (Topic 954)· *Presentation of Insurance Claims and Related Insurance Recoveries* (ASU 2010-24), at June 30, 2012 and 2011, the Hospital recorded a liability of approximately $2,047,000 and $1,100,000, respectively, related to estimated professional liability losses. At June 30, 2012 and 2011, the Hospital also recorded a receivable of $2,047,000 and $1,100,000, respectively, related to estimated recoveries under insurance coverage for recoveries of the potential losses These amounts are included in self-insurance reserves and other liabilities, and other assets, respectively, on the consolidated balance sheet.

Litigation

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

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 whose use is limited or restricted, accounts payable, estimated third-party payor settlements and long-term debt.

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 as disclosed in note 13. 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 5 to the consolidated financial statements.

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 uncollectible 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. Adjustments made with respect to the use of estimates often relate to improved information not previously available.

2. Significant Accounting Policies (Continued)

Reclassifications

Certain amounts in the 2011 consolidated statements of operations have been reclassified to reflect the adoption of changes to accounting principles generally accepted in the United States of America related to the presentation of the provision for bad debts, which has been reclassified from an operating expense to a deduction from net patient service revenue (net of contractual allowances and discounts). There was no impact to the consolidated balance sheet or the (deficiency) excess of revenues and nonoperating gains (losses) over expenses attributable to the Hospital for all periods presented as a result of this change.

Additionally, certain other 2011 amounts have been reclassified to conform with the current year presentation.

Subsequent Events

Management of the Hospital evaluated events occurring between the end of its fiscal year and October 4, 2012, the date the consolidated financial statements were available to be issued

Recent Accounting Pronouncements

In July 2011, the Financial Accounting Standards Board (FASB) issued ASU No. 2011-07, "*Health Care Entities*" (Topic 954): *Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities.* The ASU is effective for fiscal years and interim periods beginning after December 31, 2011, with early adoption permitted. Changes to the presentation of the provision for bad debts related to patient service revenue in the statement of operations are applied retrospectively to all prior periods presented. The ASU states that a health care entity that recognizes significant amounts of patient service revenue at the time the services are rendered, even though it does not assess the patient's ability to pay, must present bad debts as a reduction of net patient revenue and not as a separate item in operating expenses. As discussed above, the Hospital early adopted this guidance for the year ending June 30, 2012.

In August 2010, the FASB issued ASU No. 2010-23, *Health Care Entities (Topic 954), Measuring Charity Care for Disclosure* (ASU 2010-23), which requires 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 ended June 30, 2012. Since ASU 2010-23 amends disclosure requirements only, its adoption did not impact the Hospital's financial position, results 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 was effective for the fiscal year ending June 30, 2012 and the impact of this accounting pronouncement is discussed in the "malpractice loss contingencies" section of note 2.

3. Net Patient Service Revenues

The following summarizes net patient service revenues (net of contractual allowances and discounts) for the years ended June 30, 2012 and 2011:

	2012	2011
Gross patient service revenues	$813,830,046	$713,163,633
Less contractual allowances and discounts:		
Medicare	183,302,006	159,064,749
Medicaid	70,968,589	57,856,373
Managed care and other	131,052,278	113,993,831
	385,322,873	330,914,953
Patient service revenues (net of contractual allowances and discounts)	$428,507,173	$382,248,680

The Hospital maintains contracts with the Social Security Administration (Medicare) and the State of New Hampshire Department 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 type of illness or the patient's diagnostic related group classification. Reimbursement for Medicare for outpatient services is based upon a prospective standard rate for procedures performed or services rendered. Capital costs and certain Medicare and Medicaid outpatient services are also reimbursed on a prospectively determined fixed rate. The Hospital receives payment for other Medicare and Medicaid inpatient and 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 was 27% and 5%, respectively, in 2012 and 24% and 4%, respectively, in 2011.

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. However, 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 increased net patient service revenues by approximately $2,200,000 and $3,400,000 in 2012 and 2011, respectively.

The Hospital also maintains contracts with Anthem Blue Cross, Cigna, Harvard Pilgrim Health Care, certain commercial carriers, managed care plans and preferred provider organizations. The basis for payment under these agreements includes prospectively determined rates per discharge and per day, discounts from established charges and fee schedules.

3. Net Patient Service Revenues (Continued)

Medicaid Enhancement Tax and Medicaid Disproportionate Share Funding

Under the State of New Hampshire's tax code, the State imposes a Medicaid Enhancement Tax (MET) equal to 5.5% of net patient service revenues, with certain exclusions. The amount of tax incurred by the Hospital for fiscal 2012 and 2011 was $16,107,100 and $14,611,546, respectively. Prior to 2011, this tax was offset by disproportionate share payments of identical amounts to the Hospital and other New Hampshire hospitals.

In the fall of 2010, in order to remain in compliance with stated federal regulations, the State of New Hampshire adopted a new approach related to Medicaid disproportionate share funding retroactive to July 1, 2010. Unlike the former funding method, the State's approach led to a payment that was not directly based on, and did not equate to, the level of tax imposed. As a result, the legislation created some level of losses at certain New Hampshire hospitals, while other hospitals realized gains. In addition, as part of the State of New Hampshire's biennial budget process for the two-year period ending June 30, 2013, the State eliminated disproportionate share payments to certain New Hampshire hospitals, including Elliot Hospital As a result, during the fiscal year ended June 30, 2012, the Hospital paid the State of New Hampshire's MET based on 5 5% of net patient service revenues, with certain exclusions but will not receive disproportionate share payments.

In 2011, the Hospital received disproportionate share payments covering the period July 1, 2010 to June 30, 2011 that totaled $16,761,495.

In response to the State's actions, the Hospital reorganized its structure and implemented other cost reducing initiatives. Costs associated with this reorganization included in 2012 operations totaled approximately $2,328,000. Also in response to the State's actions, the Hospital and several other New Hampshire hospitals have collectively filed a lawsuit against the State of New Hampshire The outcome of the lawsuit, as well as the future impact on the Hospital, is uncertain at the date of these consolidated financial statements.

The Hospital, along with nine other hospitals, has sued the State for violations of the Medicaid Act in enacting Medicaid rate reductions over a period of years The suit alleges the State failed to consider how rate reductions would affect access to care by Medicaid beneficiaries and failure to give proper public notice for some of the rate reductions. The matter is in the U.S. District Court.

In addition, the Hospital has amended MET returns for State fiscal years 2009 through 2011 based upon further guidance provided that certain exclusions can be deducted from net patient service revenues. The State audited the amended returns. The outcome of the amended returns and resulting audit appeals is uncertain at the date of these consolidated financial statements.

4. Property, Plant and Equipment

The major categories of property, plant and equipment at June 30, 2012 and 2011 are as follows:

	2012	2011
Operating properties:		
Land and land improvements	$ 11,281,127	$ 10,742,106
Buildings and fixed equipment	192,879,592	187,718,715
Major movable equipment	130,420,743	123,989,285
Construction and projects in progress	6,187,650	7,523,859
	340,769,112	329,973,965
Less accumulated depreciation	(180,136,670)	(163,364,960)
	160,632,442	166,609,005
Rental properties:		
Major movable equipment	53,741	55,608
Buildings and fixed equipment	10,384,612	10,203,868
	10,438,353	10,259,476
Less accumulated depreciation	(330,989)	(65,134)
	10,107,364	10,194,342
Net property, plant and equipment	$ 170,739,806	$ 176,803,347

5. Debt

Long-term debt of the Hospital at June 30, 2012 and 2011 consists of the following:

	2012	2011
Business Finance Authority of the State of New Hampshire -		
Revenue Bonds:		
Elliot Hospital Obligated Group Series 2009A Bonds with interest ranging from 4 0% to 6 125% per year and required sinking fund installments of amounts ranging from $735,000 to $10,840,000 through October 1, 2039. The bonds may be redeemed in whole or in part on or after October 1, 2019 at par	$130,000,000	$130,000,000
Less unamortized original issue discount	(2,004,964)	(2,078,093)
	127,995,036	127,921,907

5. Debt (Continued)

	2012	2011
New Hampshire Health and Education Facilities Authority - Revenue Bonds:		
Elliot Hospital Obligated Group Series 2003B bonds with interest ranging from 4.25% to 5.6% per year and required sinking fund installments of amounts ranging from $1,540,000 to $2,660,000 through October 1, 2022 The bonds may be redeemed in whole or in part on or after October 1, 2013 at par	22,615,000	24,075,000
Less unamortized original issue discount	(138,240)	(151,619)
	22,476,760	23,923,381
Notes payable – see below	2,500,000	2,500,000
Capital lease obligations – see note 12	411,185	845,449
	153,382,981	155,190,737
Less current portion	(1,784,935)	(2,075,714)
	$151,598,046	$153,115,023

Under the terms of the Series 2009A bonds payable to the Business Finance Authority of the State of New Hampshire and Series 2003B bonds payable to the New Hampshire Health and Education Facilities Authority (collectively, the Authorities) at June 30, 2012, debt service reserve funds are required to provide for payment of principal and interest if the Obligated Group fails to make required payments The funds are held by a trustee and can be returned to the Obligated Group as the requirements of the fund (which are equal to the maximum amount of principal and interest due in any one future year) are decreased. The Obligated Group's agreement with the Authorities for the Series 2009A and 2003B bonds grants the Authorities a security interest in the Hospital's gross receipts and a mortgage on the Hospital's existing and future facilities and equipment. In addition, under the terms of the master indenture, the Obligated Group is required to meet certain covenant requirements. At June 30, 2012, the Obligated Group was in compliance with these requirements

The funds held by the trustee under the revenue bond and note agreements at June 30 are comprised of the following:

	2012	2011
Debt service interest fund	$ 2,729,058	$ 730,037
Debt service reserve fund	14,847,002	14,483,020
Construction fund and other	91,739	903,024
	$17,667,799	$16,116,081

Interest paid totaled $9,333,536 and $9,271,921 for the years ended June 30, 2012 and 2011, respectively. Interest capitalized during the year ended June 30, 2011 totaled $4,035,820. There was no interest capitalized for the year ended June 30, 2012.

5. Debt (Continued)

In 2011, the Hospital entered into a $2.5 million note payable to finance a land purchase. Interest is payable annually at the rate of 4.75%. The outstanding principal balance is due and payable on the earlier of March 16, 2016 or ten days after the issuance of a building permit for construction of a structure on the purchased property.

Aggregate annual principal payments required under the bond, note and capital lease agreements for each of the five years ending June 30, 2017 are approximately $1,785,000, $2,429,000, $2,657,000, $5,290,000, and $2,905,000, respectively.

The fair value, based on current market rates, of the Hospital's notes payable and long-term debt was approximately $168,409,000 and $157,419,000 as of June 30, 2012 and 2011, respectively

During 2012, the Hospital entered into a $15,000,000 unsecured line of credit agreement with a bank which is due on demand. The line of credit agreement bears interest at LIBOR plus 1 15%. At June 30, 2012, there were no borrowings outstanding under this agreement.

6. Assets Whose Use is Limited

Assets whose use is limited at June 30, 2012 and 2011 are comprised of the following:

	2012		2011	
	Cost	Fair Value	Cost	Fair Value
Cash and equivalents	$ 16,693,031	$ 16,693,031	$ 8,381,941	$ 8,381,941
Marketable equity securities	32,384,468	35,625,837	33,689,753	39,231,140
U.S. Government obligations and corporate bonds	37,313,323	37,009,811	43,583,156	43,388,757
Employee benefit plans and other	6,473,051	6,473,051	4,865,050	4,865,050
Beneficial interest in perpetual trusts	5,032,369	5,607,376	5,052,895	5,879,402
Limited partnership interest in hedge funds	2,810,526	2,810,526	3,974,410	3,974,410
	$100,706,768	$104,219,632	$99,547,205	$105,720,700

6. Assets Whose Use is Limited (Continued)

Board designated and donor restricted investments of the Hospital are pooled with other System entities into the Elliot Common Trust Fund LLC The Hospital's allocation of this pool at June 30, 2012 and 2011 is comprised of the following:

	2012	2011
Board designated:		
Capital, working capital and community service	$58,182,895	$57,192,784
Self-insurance	7,541,904	12,978,050
	65,724,799	70,170,834
Donor restricted and other	8,746,607	8,689,333
	$74,471,406	$78,860,167
Unrestricted investment income and realized gains (losses) on investments are summarized as follows:		
Investment income	$ 2,000,337	$ 2,909,064
Nonoperating investment income	369,103	364,714
Realized gain on sale of investments	1,328,582	2,589,357
Net unrealized (loss) gain on investments	(1,724,797)	6,610,387
	1,973,225	12,473,522
Restricted investment income and net gains (losses) on investments are summarized as follows:		
Investment income and net gain on investments	29,921	119,955
Net unrealized (loss) gain on investments	(298,604)	919,508
	(268,683)	1,039,463
Total restricted and unrestricted	$ 1,704,542	$13,512,985

In 2012, all investment income and gains (losses) including unrealized gains (losses) are included in nonoperating gains, net in the consolidated statement of operations. In 2011, the unrealized portion of investment gains (losses) is excluded from (deficiency) excess of revenues and nonoperating gains (losses) over expenses and included as part of the overall change in net assets.

Prior to the determination of the investment portfolio as a trading portfolio and adoption of the fair value option of reporting investment changes, investments were reviewed regularly for impairment to determine if such declines were other than temporary. Management's review was based upon the percentage and period of time that the investment was below cost as well as other qualitative considerations.

7. Retirement Benefits (Continued)

Amounts recognized in unrestricted net assets at June 30, 2012 and 2011 consist of:

	2012	2011
Net actuarial loss	$82,458,061	$35,188,432
Prior service cost (credit)	22,322	(16,269)
Total amount recognized by the System	$82,480,383	$35,172,163
Amounts recognized by the Hospital	$79,353,148	$33,744,230

Pension Plan Assets

The fair values of the System's pension plan assets and target allocations as of June 30, 2012, by asset category are as follows (see note 13 for level definitions):

	Target Allocation 2013	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Short-term investments:	6%				
Money market fund		$ 6,139,589	$ 6,139,589	$ –	$ –
Equity securities:	44%				
Common stocks		59,170,505	59,170,505	–	–
Mutual funds		11,283,952	11,283,952	–	–
Other equities		14,937,679	14,937,679	–	–
Fixed income securities:	50%				
U.S. Government and agency obligations		23,360,167	20,493,253	2,866,914	–
Municipal bonds		7,667,162	–	7,667,162	–
Mutual funds		3,891,983	3,891,983	–	–
Corporate and foreign bonds		63,676,084	63,676,084	–	–
Collateralized mortgage obligations		4,496	–	4,496	–
Unallocated insurance contract		1,284,073	–	–	1,284,073
		$191,415,690	$179,593,045	$10,538,572	$1,284,073

7. Retirement Benefits (Continued)

The fair values of the System's pension plan assets and target allocations as of June 30, 2011, by asset category are as follows (see note 13 for level definitions):

	Target Allocation 2013	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Short-term investments:	6%				
Money market fund		$ 3,325,567	$ 3,325,567	$ –	$ –
Equity securities:	44%				
Common stocks		51,839,933	51,839,933	–	–
Mutual funds		10,194,893	10,194,893	–	–
Other equities		12,302,179	12,302,179	–	–
Fixed income securities:	50%				
U.S. Government and agency obligations		20,450,475	19,970,533	479,942	–
Municipal bonds		3,836,144	–	3,836,144	–
Mutual funds		6,273,593	6,273,593	–	–
Corporate and foreign bonds		53,588,511	53,588,511	–	–
Collateralized mortgage obligations		4,982	–	4,982	–
Unallocated insurance contract		1,401,813	–	–	1,401,813
		$163,218,090	$157,495,209	$ 4,321,068	$1,401,813

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

	2012	2011
Balance, beginning of year	$1,401,813	$1,514,959
Unrealized gains related to instruments still held at the reporting date	80,785	87,384
Purchases, sales, issuances and settlements, net	(198,525)	(200,530)
Balance, end of year	$1,284,073	$1,401,813

Management of the 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 5.5%, over a long-term horizon.

7. Retirement Benefits (Continued)

In addition to the total return goal, the portfolio is constructed to hedge a portion of the interest rate risk of the Plan's liability. The portion of the interest rate risk hedged is the percent of assets allocated to fixed income investments multiplied by the Plan's funded status The fixed income asset class is structured to reduce the volatility of the funded status by matching the duration of the Plan's liability which is currently approximately 18 years. The current strategic asset allocation target for the fixed income portfolio is 50% of total plan assets, which is designed to hedge approximately 35% of the plan liability

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.

Net periodic pension cost includes the following components at June 30, 2012 and 2011:

	2012	2011
Service cost	$ 7,624,990	$ 7,483,959
Interest cost	11,050,143	10,678,892
Expected return on plan assets	(11,808,762)	(10,300,076)
Amortization:		
Actuarial loss	3,378,220	4,544,782
Prior service credit	(38,591)	(38,591)
Net periodic pension cost - System	$ 10,206,000	$ 12,368,966
Amount recognized by the Hospital	$ 9,933,028	$ 12,056,000

The weighted-average assumptions used to develop net periodic pension cost for the years ended June 30, 2012 and 2011 were as follows:

	2012	2011
Discount rate	5.85%	6.50%
Expected return on plan assets	7.50	7.75
Rate of compensation	3.75	4.00

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

The loss and prior service credit amount expected to be recognized in net periodic benefit cost in 2013 are as follows:

Actuarial loss	$9,937,208
Prior service credit	(38,591)
	$9,898,617

9. Community Benefits (Unaudited)

The Hospital provided charity care to eligible patients. Estimated costs incurred to provide charity care were approximately $8,743,000 and $10,537,000 for the years ended June 30, 2012 and 2011, respectively. Other community benefits provided by the Hospital included various community service programs such as patient transport services, prenatal and educational programs, health screenings, health publications and other health information services, the cost of which amounted to $705,848 and $2,629,408 for the years ended June 30, 2012 and 2011, respectively. The cost of providing community benefits for the years ended June 30, 2012 and 2011 are summarized below:

	2012	2011
Charity care	$8,743,000	$10,537,000
Community service programs and contributions to community agencies	705,848	3,211,094
	$9,448,848	$13,748,094

10. Functional Expenses

The Hospital provides general health care services to residents within its geographic location including inpatient, outpatient, physician and emergency care. Expenses related to providing these services are as follows:

	2012	2011
Health care services	$260,899,704	$248,961,082
General and administrative	139,893,772	127,821,808
	$400,793,476	$376,782,890

11. Concentration of Credit Risk

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

	2012	2011
Medicare	30%	28%
Medicaid	6	7
Managed care and other	21	24
Patients (self pay)	31	29
Anthem Blue Cross	12	12
	100%	100%

12. Leases

The Hospital leases various office facilities and equipment from unrelated parties under noncancelable operating leases. Total rental expense for the years ended June 30, 2012 and 2011 was $8,953,559 and $7,838,153, respectively. The Hospital also leases equipment under lease agreements that are classified as capital leases.

The cost of equipment under capital leases was $3,055,982 at June 30, 2012. Accumulated amortization of the leased equipment at June 30, 2012 was $2,356,926. Amortization of assets under capital leases is included in depreciation and amortization expense.

Future minimum lease payments required under operating and capital leases and the present value of the net minimum lease payments as of June 30, 2012 is as follows:

	Operating Leases	Capital Leases	Total
Year Ending June 30.			
2013	$ 3,806,698	$ 257,631	$ 4,064,329
2014	3,339,367	69,975	3,409,342
2015	3,150,889	46,413	3,197,302
2016	2,408,722	46,413	2,455,135
2017	1,428,149	15,471	1,443,620
Thereafter	2,709,693	–	2,709,693
Total minimum lease payments	$16,843,518	435,903	$17,279,421
Less amount representing interest		(24,718)	
Present value of net minimum lease payments		411,185	
Less current maturities of capital lease obligations		(244,934)	
Long-term capital lease obligations		$ 166,251	

13. Fair Value Measurements

Fair value of a financial instrument is defined as 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 or 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:

13. Fair Value Measurements (Continued)

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.

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 fair value measurements 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 June 30, 2012 and 2011, the application of valuation techniques applied to similar assets and liabilities has been consistent. The following is a description of the valuation methodologies used:

Marketable Equity Securities

Marketable equity securities are valued based on stated market prices and at the net asset value of shares held by the Hospital at year end, which generally results in classification as Level 1 within the fair value hierarchy.

Fixed Income 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 holds U.S. governmental and federal agency debt instruments, municipal bonds, corporate bonds and foreign bonds, which are primarily classified as Level 1 within the fair value hierarchy.

13. Fair Value Measurements (Continued)

Limited Partnership Interests in Hedge Funds

The Hospital invests in certain alternative investments that consist of 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 3.

Hospital management is responsible for the fair value measurements of alternative investments reported in the consolidated 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.

Beneficial Interests in Perpetual Trusts

The Hospital is the beneficiary of two perpetual trusts held by a third party. Under the terms of the trusts, the Hospital has the irrevocable right to receive the income earned on the assets of the trusts in perpetuity, but never receives the assets held in the trusts. The Hospital has transparency into the holdings of the trusts. These investments are generally classified as Level 1 within the fair value hierarchy.

Employee Benefit Plan and Other

Underlying plan investments within these funds are stated at quoted market prices. These investments are generally classified as Level 1 within the fair value hierarchy.

13. Fair Value Measurements (Continued)

Fair Value on a Recurring Basis

The following presents the balances of assets measured at fair value on a recurring basis at June 30, 2012 and 2011:

	Total	Level 1	Level 2	Level 3
2012.				
Cash and equivalents	$ 16,693,031	$ 16,693,031	$ –	$ –
Marketable equity securities:				
Common stocks	35,625,837	35,625,837	–	–
Fixed income securities:				
U S. Government obligations	13,018,541	13,018,541	–	–
Municipal bonds	1,697,494	1,697,494	–	–
Corporate bonds	17,821,814	17,775,501	46,313	–
Foreign bonds	4,471,962	4,471,962	–	–
Limited Partnership interests in hedge funds	2,810,526	–	–	2,810,526
Beneficial interests in perpetual trusts	5,607,376	5,607,376	–	–
Employee benefit plans and other	6,473,051	6,473,051	–	–
Assets whose use is limited	$104,219,632	$101,362,793	$46,313	$2,810,526
2011:				
Cash and equivalents	$ 8,381,941	$ 8,381,941	$ –	$ –
Marketable equity securities:				
Common stocks	39,231,140	39,231,140	–	–
Fixed income securities.				
U.S. Government obligations	19,539,551	19,539,551	–	–
Municipal bonds	358,962	358,962	–	–
Corporate bonds	19,414,213	19,197,215	216,998	–
Foreign bonds	4,076,031	4,076,031	–	–
Limited Partnership interests in hedge funds	3,974,410	–	–	3,974,410
Beneficial interests in perpetual trusts	5,879,402	5,879,402	–	–
Employee benefit plans and other	4,865,050	4,865,050	–	–
Assets whose use is limited	$105,720,700	$101,529,292	$216,998	$3,974,410

13. Fair Value Measurements (Continued)

The Hospital's Level 3 investments consist of so called alternative investments, which total approximately $2,811,000 and $3,974,000 at June 30, 2012 and 2011, respectively. The alternative investments consist of interests in three funds (four in 2011) that are not publicly traded. One of the funds, which consists of a private equity fund, is invested with Lehman Brothers, which has seen certain divisions declare bankruptcy in September 2008 and is undergoing liquidation. For this fund, which has a carrying value of approximately $656,000 at June 30, 2012, risk exists as the assets are held in a division of Lehman Brothers that has filed for bankruptcy protection While insurance coverage exists to protect assets in the event of a bankruptcy, recoverability cannot be assured since eventual losses at Lehman Brothers may exceed the insurer's ability to pay claims.

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

A reconciliation of the fair value measurements using significant unobservable inputs (Level 3) is as follows for the years ended June 30:

	2012	2011
Balance, beginning of year	$3,974,410	$ 5,251,187
Additional purchases and capital contributions	86,945	98,267
Capital distributions and investments sold	(351,007)	(2,413,647)
Unrealized (losses) gains on investments held	(899,822)	1,038,603
Balance, end of year	$2,810,526	$ 3,974,410

Investment Strategies

Fixed Income Securities (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 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.

13. Fair Value Measurements (Continued)

Limited Partnership Interests in Hedge Funds

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 consolidated financial statements and notes thereto:

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

Accounts receivable, accounts payable and accrued expenses: The carrying amounts reported in the accompanying consolidated 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 5, was calculated based upon discounted cash flows through maturity based on market rates currently available for borrowing with similar maturities.

INDEPENDENT AUDITORS' REPORT ON OTHER FINANCIAL INFORMATION

Board of Trustees
Elliot Hospital and Affiliates

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating information is presented for purposes of additional analysis rather than to present the financial position, results of operations, and cash flows of the individual entities and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Baker Newman & Noyes

Manchester, New Hampshire
October 4, 2012

Limited Liability Company

ELLIOT HOSPITAL AND AFFILIATES

CONSOLIDATING BALANCE SHEET

June 30, 2012

ASSETS

	Elliot Hospital	Elliot Physician Network	Elliot Professional Services	Elimi-nations	Consol-idated
Current assets.					
Cash and cash equivalents	$ 27,683,935	$ 269,501	$ 329,662	$ –	$ 28,283,098
Accounts receivable, net	34,959,893	1,443,723	3,092,487	–	39,496,103
Inventories	2,143,884	–	–	–	2,143,884
Amounts due from affiliates	1,732,601	–	–	(1,732,601)	–
Other current assets	6,551,566	535,341	397,408	–	7,484,315
Total current assets	73,071,879	2,248,565	3,819,557	(1,732,601)	77,407,400
Property, plant and equipment, net	170,552,056	–	187,750	–	170,739,806
Other assets:					
Unamortized bond issuance costs, net	2,042,022	–	–	–	2,042,022
Other	6,536,043	77,077	–	–	6,613,120
	8,578,065	77,077	–	–	8,655,142
Assets whose use is limited:					
Board designated and donor restricted investments	74,471,406	–	–	–	74,471,406
Held by trustee under revenue bond and note agreements	17,667,799	–	–	–	17,667,799
Employee benefit plans and other	6,473,051	–	–	–	6,473,051
Beneficial interest in perpetual trusts	5,607,376	–	–	–	5,607,376
	104,219,632	–	–	–	104,219,632
Total assets	$356,421,632	$ 2,325,642	$4,007,307	$(1,732,601)	$361,021,980

LIABILITIES AND NET ASSETS

	Elliot Hospital	Elliot Physician Network	Elliot Professional Services	Elimi-nations	Consol-idated
Current liabilities:					
Accounts payable and accrued expenses	$ 17,902,250	$ 14,073	$ 387,404	$ –	$ 18,303,727
Accrued salaries, wages and related accounts	15,984,868	927,021	2,044,570	–	18,956,459
Accrued interest	2,295,750	–	–	–	2,295,750
Amounts payable to third-party payors	7,885,294	50,000	50,000	–	7,985,294
Amounts due from affiliates	–	1,616,305	181,052	(1,732,601)	64,756
Current portion of long-term debt	1,784,935	–	–	–	1,784,935
Total current liabilities	45,853,097	2,607,399	2,663,026	(1,732,601)	49,390,921
Accrued pension	67,958,763	3,193,313	1,499,094	–	72,651,170
Self-insurance reserves and other liabilities	17,078,289	–	359,130	–	17,437,419
Long-term debt, less current portion	151,598,046	–	–	–	151,598,046
Total liabilities	282,488,195	5,800,712	4,521,250	(1,732,601)	291,077,556
Net assets:					
Unrestricted	60,341,629	(3,475,070)	(513,943)	–	56,352,616
Temporarily restricted	1,696,380	–	–	–	1,696,380
Permanently restricted	11,895,428	–	–	–	11,895,428
	73,933,437	(3,475,070)	(513,943)	–	69,944,424
Total liabilities and net assets	$356,421,632	$ 2,325,642	$4,007,307	$(1,732,601)	$361,021,980

ELLIOT HOSPITAL AND AFFILIATES

CONSOLIDATING STATEMENT OF OPERATIONS

Year Ended June 30, 2012

	Elliot Hospital	Elliot Physician Network	Elliot Professional Services	Elimi-nations	Consol-idated
Net patient service revenues (net of contractual allowances and discounts)	$354,745,961	$30,141,315	$ 43,619,897	$ –	$ 428,507,173
Provision for bad debts	(41,009,950)	(1,618,447)	(7,084,206)	–	(49,712,603)
Net patient service revenues, less provision for bad debts	313,736,011	28,522,868	36,535,691	–	378,794,570
Investment income	1,990,297	422	9,618	–	2,000,337
Other revenues	13,132,052	761,995	2,499,218	(3,713,474)	12,679,791
Total revenues	328,858,360	29,285,285	39,044,527	(3,713,474)	393,474,698
Expenses:					
Salaries, wages and fringe benefits	165,516,256	25,473,159	54,360,249	–	245,349,664
Supplies and other expenses	101,234,473	7,354,919	5,026,889	(3,930,120)	109,686,161
Depreciation and amortization	17,514,473	220,484	237,098	–	17,972,055
New Hampshire Medicaid Enhancement Tax	16,107,100	–	–	–	16,107,100
Interest	9,347,694	–	2,471	–	9,350,165
Restructuring costs	2,281,880	–	46,451	–	2,328,331
Total expenses	312,001,876	33,048,562	59,673,158	(3,930,120)	400,793,476
Income (loss) from operations	16,856,484	(3,763,277)	(20,628,631)	216,646	(7,318,778)
Nonoperating gains (losses):					
Investment return	(27,112)	–	–	–	(27,112)
Other	4,591,476	253	25,235	(216,646)	4,400,318
Nonoperating gains (losses), net	4,564,364	253	25,235	(216,646)	4,373,206
Excess (deficiency) of revenues and nonoperating gains (losses) over expenses	21,420,848	(3,763,024)	(20,603,396)	–	(2,945,572)
Pension adjustment	(42,588,266)	(2,046,992)	(973,660)	–	(45,608,918)
Net transfers from (to) affiliates	(19,466,623)	3,445,000	20,375,000	–	4,353,377
Decrease in unrestricted net assets	$(40,634,041)	$(2,365,016)	$ (1,202,056)	$ –	$ (44,201,113)

LIABILITIES AND NET ASSETS

	Elliot Hospital	Elliot Physician Network	Elliot Professional Services	Elimi-nations	Consol-idated
Current liabilities:					
Accounts payable and accrued expenses	$ 15,205,437	$ 29,293	$ 205,709	$ –	$ 15,440,439
Accrued salaries, wages and related accounts	16,585,884	1,046,282	2,258,798	–	19,890,964
Accrued interest	2,281,592	–	–	–	2,281,592
Amounts payable to third-party payors	6,942,850	50,000	50,000	–	7,042,850
Amounts due to affiliates	–	1,543,416	497,763	(1,297,381)	743,798
Current portion of long-term debt	2,075,714	–	–	–	2,075,714
Total current liabilities	43,091,477	2,668,991	3,012,270	(1,297,381)	47,475,357
Accrued pension	25,662,414	1,146,033	510,232	–	27,318,679
Self-insurance reserves and other liabilities	18,417,888	–	309,545	–	18,727,433
Long-term debt, less current portion	153,115,023	–	–	–	153,115,023
Total liabilities	240,286,802	3,815,024	3,832,047	(1,297,381)	246,636,492
Net assets:					
Unrestricted	100,975,670	(1,110,054)	688,113	–	100,553,729
Temporarily restricted	1,722,984	–	–	–	1,722,984
Permanently restricted	12,137,507	–	–	–	12,137,507
	114,836,161	(1,110,054)	688,113	–	114,414,220
Total liabilities and net assets	$355,122,963	$ 2,704,970	$4,520,160	$(1,297,381)	$361,050,712

ELLIOT HOSPITAL AND AFFILIATES

CONSOLIDATING STATEMENT OF OPERATIONS

Year Ended June 30, 2011

	Elliot Hospital	Elliot Physician Network	Elliot Professional Services	Eliminations	Consolidated
Net patient service revenues (net of contractual allowances and discounts)	$321,892,505	$28,633,939	$ 31,722,236	$ –	$ 382,248,680
Provision for bad debts	(29,570,066)	(1,362,645)	(5,734,525)	–	(36,667,236)
Net patient service revenues, less provision for bad debts	292,322,439	27,271,294	25,987,711	–	345,581,444
Disproportionate share funding	16,761,495	–	–	–	16,761,495
Investment income	2,897,742	1,026	10,296	–	2,909,064
Other revenues	10,970,916	1,155,560	3,591,080	(3,676,010)	12,041,546
Total revenues	322,952,592	28,427,880	29,589,087	(3,676,010)	377,293,549
Expenses:					
Salaries, wages and fringe benefits	167,451,313	26,125,744	41,200,735	–	234,777,792
Supplies and other expenses	100,110,530	6,980,675	3,717,740	(3,892,460)	106,916,485
Depreciation and amortization	14,880,541	253,102	126,607	–	15,260,250
New Hampshire Medicaid Enhancement Tax	14,611,546	–	–	–	14,611,546
Interest	5,216,817	–	–	–	5,216,817
Total expenses	302,270,747	33,359,521	45,045,082	(3,892,460)	376,782,890
Income (loss) from operations	20,681,845	(4,931,641)	(15,455,995)	216,450	510,659
Nonoperating gains (losses):					
Investment return	2,954,071	–	–	–	2,954,071
Other	2,133,541	2,548	8,128	(216,450)	1,927,767
Nonoperating gains (losses), net	5,087,612	2,548	8,128	(216,450)	4,881,838
Excess (deficiency) of revenues and nonoperating gains (losses) over expenses	25,769,457	(4,929,093)	(15,447,867)	–	5,392,497
Net unrealized gain on investments	6,610,387	–	–	–	6,610,387
Pension adjustment	19,166,316	819,095	316,020	–	20,301,431
Net transfers from (to) affiliates	(19,863,681)	5,770,000	15,557,000	–	1,463,319
Increase in unrestricted net assets	$ 31,682,479	$ 1,660,002	$ 425,153	$ –	$ 33,767,634

Additional Data

Software ID:
Software Version:
EIN: 02-0232673
Name: THE ELLIOT HOSPITAL OF THE CITY OF MANCHESTER

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
DOUGLAS F DEAN PRESIDENT & CEO	40 00	X		X				775,340	0	337,512
RICK PHELPS COO	40 00	X		X				686,077	0	69,674
R SCOTT BACON CHAIR	1 00	X		X				0	0	0
JAMES C HOOD ESQ TRUSTEE	1 00	X						0	0	0
ANN REMUS SECRETARY	1 00	X						0	0	0
SELMA NACCACH-HOFF TRUSTEE	1 00	X		X				0	0	0
LOUISE FORSEZE TRUSTEE	1 00	X						0	0	0
PETER CHEUNG MD TRUSTEE	1 00	X						0	0	0
JOHN T BRODERICK JR TRUSTEE	1 00	X		X				0	0	0
RICHARD MARCUCCI MD TRUSTEE	40 00	X						0	367,996	18,588
DANIEL M MONFRIED TRUSTEE	1 00	X						0	0	0
EDWARD P MITCHELL TRUSTEE	1 00	X						0	0	0
DIANNE M MERCIER VICE CHAIR	1 00	X						0	0	0
DAVID R A STEADMAN TREASURUER	1 00	X						0	0	0
ROBERT M LAVERY TRUSTEE	1 00	X						0	574,693	12,456
HAROLD TURNER JR TRUSTEE	1 00	X						0	0	0
RICHARD L WINNEG TRUSTEE	1 00	X						0	0	0
BARBARA A RAND TRUSTEE	1 00	X						0	0	0
GUS EMMICK MD TRUSTEE	40 00	X						0	302,298	17,764
CHARLES ROLECEK TRUSTEE	1 00	X						0	0	0
PETER VAN DER MEER MD TRUSTEE	1 00	X						0	0	0
JOHN F WEEKS TRUSTEE	1 00	X						0	0	0
CHRISTOPHER S CALHOUN MD TRUSTEE	40 00	X						0	142,574	27,040
RICHARD ELWELL CFO	40 00			X				711,978	0	127,871
JOHN FRIBERG SENIOR VP OF OPERATIONS	40 00				X			318,000	0	17,230

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
ALEXANDER W PETRON CHIEF MEDICAL INFO OFFICER	40 00					X		310,528	0	14,488
KEVIN B COUGHLIN SENIOR VP PHYSICIAN SERVICES	40 00					X		295,306	0	14,163
ANITA RITENOUR MD ASST VP MEDICAL AFFAIRS	40 00					X		348,201	0	35,321
ELIZABETH A HALE-CAMPOLI VP OF PATIENT CARE SERVICE	40 00					X		282,621	0	3,558
WILLIAM BAXTER SENIOR VP MEDICAL AFFFAIRS	40 00					X		366,044	0	18,163