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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 OCT 1, 2011 and ending SEP 30, 2012

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

C Name of organization
Littleton Hospital Association
F/K/A Littleton Regional Hospital Assoc.

Doing Business As Littleton Regional Healthcare

Number and street (or P.O. box if mail is not delivered to street address) 600 St. Johnsbury Road

Room/suite

City or town, state or country, and ZIP + 4
Littleton, NH 03561

F Name and address of principal officer Warren West
same as C above

D Employer identification number
02-0222152

E Telephone number
603-444-9000

G Gross receipts $ 78,700,478.

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

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

H(c) Group exemption number ▶

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

J Website: ▶ www.littletonhospital.org

K Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation: 1906

M State of legal domicile: NH

Part I Summary

Activities & Governance	1	Briefly describe the organization's mission or most significant activities: To provide health care services in Northern New Hampshire	
	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)	15
	4	Number of independent voting members of the governing body (Part VI, line 1b)	12
	5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	469
	6	Total number of volunteers (estimate if necessary)	228
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	30,805.
	b	Net unrelated business taxable income from Form 990-T, line 34	<26,927.>

			Prior Year	Current Year
Revenue	8	Contributions and grants (Part VIII, line 1h)	52,337.	51,546.
	9	Program service revenue (Part VIII, line 2g)	68,077,388.	71,499,864.
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	1,108,132.	402,610.
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	0.	0.
	12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	69,237,857.	71,954,020.
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0.	7,040.
	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)	37,755,272.	39,264,133.
	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)	27,973,558.	31,423,152.
	18	Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	65,728,830.	70,694,325.
	19	Revenue less expenses Subtract line 18 from line 12	3,509,027.	1,259,695.

			Beginning of Current Year	End of Year
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	79,535,723.	85,349,412.
	21	Total liabilities (Part X, line 26)	43,998,340.	46,900,809.
	22	Net assets or fund balances. Subtract line 21 from line 20	35,537,383.	38,448,603.

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Part II Signature Block

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

Sign Here

▶ Signature of officer — Date 5/14/13

▶ Warren West, CEO
Type or print name and title

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check if self-employed	PTIN
	Rachel Williamson CPA	Rachel Williamson CP	05/10/13	☐	P00186614
	Firm's name ▶ Berry Dunn McNeil & Parker, LLC			Firm's EIN ▶	01-0523282
	Firm's address ▶ 1000 Elm Street, 15th Floor Manchester, NH 03101			Phone no.	(603)669-7337

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

SCANNED JUN 13 2013

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6

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III [X]

1 Briefly describe the organization's mission.

To provide quality, compassionate and accessible healthcare in a manner that brings value to all.
To offer a full spectrum of services, including acute primary and selected secondary care; 24-hour emergency services; preventive

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 [X] 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 [X] 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 $ 56,894,590. including grants of $ 7,040.) (Revenue $ 71,469,059.)

Littleton Hospital Association provides health care services on an in/outpatient basis to the general public, including charity care, community education, and various other health programs and services.

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

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

4d Other program services (Describe in Schedule O.)

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

4e **Total program service expenses** ▶ 56,894,590.

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	X	
2	Is the organization required to complete *Schedule B, Schedule of Contributors*?	2	X	
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		X
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	X	
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		X
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		X
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		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		X
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		X
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	X	
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI*	11a	X	
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		X
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		X
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		X
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	X	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f		X
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		X
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	X	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		X
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		X
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, Parts I and IV*	14b		X
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 United States? *If "Yes," complete Schedule F, Parts II and IV*	15		X
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 United States? *If "Yes," complete Schedule F, Parts III and IV*	16		X
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		X
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		X
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		X
20a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	20a	X	
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	X	

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
21	Did the organization report more than $5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21		X
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		X
23	Did the organization answer "Yes" to Part VII, Section A, line 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	X	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K If "No", go to line 25*	24a	X	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		X
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		X
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		X
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		X
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		X
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		X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	27		X
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	X	
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28b		X
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	28c		X
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29		X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		X
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		X
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		X
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	X	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a		X
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		X
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		X
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		X
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	X	

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	109		
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	X	
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	469		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?		2b	X	
	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	X	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*		3b	X	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		4a		X
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		X
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		5b		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		5c		
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?				
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		X
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		X
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		X
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		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		7f		X
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?		13a		
	Note. See the instructions for additional information the organization must report on Schedule O.				
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?		14a		X
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 line 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 [X]

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 If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.	1a	15		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	12		
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			X
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			X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4			X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5			X
6	Did the organization have members or stockholders?	6		X	
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		X	
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			X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:				
a	The governing body?	8a		X	
b	Each committee with authority to act on behalf of the governing body?	8b		X	
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			X

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		X
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	X	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990			
12a	Did the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	X	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X	
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	X	
13	Did the organization have a written whistleblower policy?	13	X	
14	Did the organization have a written document retention and destruction policy?	14	X	
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	X	
b	Other officers or key employees of the organization	15b	X	
	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		X
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 Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.

[ ] Own website [ ] Another's website [X] 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 during the tax year

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization. ▶

Leslie Walker, Controller - 603-444-9000
600 St. Johnsbury Rd, Littleton, NH 03561

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

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

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (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) William Bedor Vice-Chairman	1.00	X		X				0.	0.	0.
(2) Milton Bratz Trustee	1.00	X						0.	0.	0.
(3) Anna Rioux Past Trustee	1.00	X						0.	0.	0.
(4) Mell Brooks Secretary	1.00	X		X				0.	0.	0.
(5) Edward Duffy, MD Trustee/Physician	40.00	X						317,341.	0.	54,337.
(6) Wayne Rioux Trustee	1.00	X						0.	0.	0.
(7) John Starr Chairman	1.00	X		X				0.	0.	0.
(8) Margaret Starr Auxiliary Representative	1.00	X						0.	0.	0.
(9) Stevan Trooboff Treasurer	1.00	X		X				0.	0.	0.
(10) Charles Wolcott, MD Trustee	1.00	X						0.	0.	0.
(11) Guilbert Vickery Trustee	1.00	X						0.	0.	0.
(12) Deane Rankin, MD Trustee/Physician	40.00	X						389,550.	0.	71,486.
(13) George Brodeur Trustee	1.00	X						56,158.	0.	0.
(14) Nicholas Marks Past Chief of Staff/Physician	40.00	X						416,949.	0.	66,204.
(15) Kevin Silva, MD Chief of Staff	1.00	X						0.	0.	0.
(16) Roger Gingue Trustee	1.00	X						0.	0.	0.
(17) James Hamblin 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) Warren West CEO	40.00			X				282,589.	0.	54,820.
(19) Robert Fotter CFO	40.00			X				187,213.	0.	28,563.
(20) Linda Gilmore CAO/CNO	40.00			X				192,946.	0.	42,676.
(21) David Lovejoy Physician	40.00					X		410,262.	0.	55,978.
(22) Michael Kindred Physician	40.00					X		330,714.	0.	50,845.
(23) Patrick Fitzpatrick Physician	40.00					X		363,820.	0.	8,693.
(24) Lon Howard Physician	40.00					X		562,310.	0.	79,796.
(25) Harlan Herr Physician	40.00					X		508,859.	0.	44,931.
1b Sub-total ▶								4,018,711.	0.	558,329.
c Total from continuation sheets to Part VII, Section A ▶								0.	0.	0.
d Total (add lines 1b and 1c) ▶								4,018,711.	0.	558,329.

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 ▶ 55

		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		X
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	X	
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		X

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
Daniel Hebert, Inc. 12 Pleasant St., Colebrook, NH 03576	General Contractor	3,249,107.
The Alpine Clinic, PLLC 1095 Profile Rd., Franconia, NH 03580	Professional Services Agreement	2,889,040.
On Assignment File #50730, Los Angeles, CA 90074-0730	Healthcare Staffing	517,026.
Expeditive, Inc. 3 Independence Way, Princeton, NJ 08540	Billing Staffing	414,939.
Quorum Health Resources, Inc. 105 Continental Place, Brentwood, TN 37027	Consulting Services	388,441.

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 ▶ 14

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	50,565.				
	e Government grants (contributions)	1e					
	f All other contributions, gifts, grants, and similar amounts not included above	1f	981.				
	g Noncash contributions included in lines 1a-1f $						
	h **Total.** Add lines 1a-1f			51,546.			
Program Service Revenue		Business Code					
	2a Patient Service Revenu	900099		68,983,905.	68,983,905.		
	b Miscellaneous	900099		773,194.	773,194.		
	c Meaningful Use Incenti	900099		712,822.	712,822.		
	d Cafeteria	900099		461,847.	461,847.		
	e Other Income	900099		218,161.	218,161.		
	f All other program service revenue	900099		349,935.	319,130.	30,805.	
	g **Total.** Add lines 2a-2f			71,499,864.			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)			404,017.			404,017.
	4 Income from investment of tax-exempt bond proceeds						
	5 Royalties						
		(i) Real	(ii) Personal				
	6a Gross rents						
	b Less rental expenses						
	c Rental income or (loss)						
	d Net rental income or (loss)						
		(i) Securities	(ii) Other				
	7a Gross amount from sales of assets other than inventory	6,703,586.	41,465.				
	b Less. cost or other basis and sales expenses	6,661,288.	85,170.				
	c Gain or (loss)	42,298.	<43705.>				
	d Net gain or (loss)			<1,407.>			<1,407.>
	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						
	b						
	c						
	d All other revenue						
	e **Total.** Add lines 11a-11d						
	12 **Total revenue.** See instructions.			71,954,020.	71,469,059.	30,805.	402,610.

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	2,500.	2,500.		
2	Grants and other assistance to individuals in the United States. See Part IV, line 22	4,540.	4,540.		
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	1,621,522.		1,621,522.	
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	27,106,186.	24,454,187.	2,651,999.	
8	Pension plan accruals and contributions (include section 401(k) and section 403(b) employer contributions)	1,035,088.	937,277.	97,811.	
9	Other employee benefits	3,783,635.	3,417,208.	366,427.	
10	Payroll taxes	5,717,702.	4,910,192.	807,510.	
11	Fees for services (non-employees).				
a	Management				
b	Legal	<28,068.>		<28,068.>	
c	Accounting	80,894.		80,894.	
d	Lobbying				
e	Professional fundraising services. See Part IV, line 17				
f	Investment management fees	151,328.		151,328.	
g	Other				
12	Advertising and promotion	320,576.	756.	319,820.	
13	Office expenses	8,884,823.	8,550,089.	334,734.	
14	Information technology				
15	Royalties				
16	Occupancy	1,948,281.	773,165.	1,175,116.	
17	Travel	105,719.	66,336.	39,383.	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	91,781.		91,781.	
20	Interest	708,632.	708,632.		
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	5,374,271.	5,000,686.	373,585.	
23	Insurance	326,558.	50,547.	276,011.	
24	Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a	Contract Wages	4,548,170.	3,703,216.	844,954.	
b	Purchased Services	2,757,725.	1,845,472.	912,253.	
c	Equipment Rental & Main	1,867,424.	1,145,944.	721,480.	
d	Recruitment Costs	540,806.		540,806.	
e	All other expenses	3,744,232.	1,323,843.	2,420,389.	
25	**Total functional expenses.** Add lines 1 through 24e	70,694,325.	56,894,590.	13,799,735.	0.
26	**Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash - non-interest-bearing		2,915.	1	2,945.
	2	Savings and temporary cash investments		10,606,310.	2	8,794,837.
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		7,871,050.	4	9,385,246.
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L			5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions)			6	
	7	Notes and loans receivable, net		155,762.	7	227,973.
	8	Inventories for sale or use		1,264,831.	8	1,485,073.
	9	Prepaid expenses and deferred charges		943,453.	9	1,175,935.
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 78,670,086.			
	b	Less. accumulated depreciation	10b 33,553,183.	42,025,104.	10c	45,116,903.
	11	Investments - publicly traded securities		16,400,352.	11	18,891,154.
	12	Investments - other securities. See Part IV, line 11			12	
	13	Investments - program-related. See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		265,946.	15	269,346.
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		79,535,723.	16	85,349,412.
Liabilities	17	Accounts payable and accrued expenses		5,805,862.	17	5,373,287.
	18	Grants payable			18	
	19	Deferred revenue		551,071.	19	593,490.
	20	Tax-exempt bond liabilities		29,150,000.	20	30,155,983.
	21	Escrow or custodial account liability. Complete Part IV of Schedule D			21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L			22	
	23	Secured mortgages and notes payable to unrelated third parties			23	
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		8,491,407.	25	10,778,049.
	26	**Total liabilities.** Add lines 17 through 25		43,998,340.	26	46,900,809.
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ [X] and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		34,807,491.	27	37,642,591.
	28	Temporarily restricted net assets		126,032.	28	145,619.
	29	Permanently restricted net assets		603,860.	29	660,393.
		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		35,537,383.	33	38,448,603.
	34	Total liabilities and net assets/fund balances		79,535,723.	34	85,349,412.

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI [X]

1	Total revenue (must equal Part VIII, column (A), line 12)	1	71,954,020.
2	Total expenses (must equal Part IX, column (A), line 25)	2	70,694,325.
3	Revenue less expenses. Subtract line 2 from line 1	3	1,259,695.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	35,537,383.
5	Other changes in net assets or fund balances (explain in Schedule O)	5	1,651,525.
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	38,448,603.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII [X]

			Yes	No
1	Accounting method used to prepare the Form 990 [ ] Cash [X] 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		X
b	Were the organization's financial statements audited by an independent accountant?	2b	X	
c	If "Yes" to line 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	X	
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 [X] Consolidated basis [ ] Both consolidated and separate 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		X
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		

Form 990 (2011)

132012
01-23-12

SCHEDULE A (Form 990 or 990-EZ)

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	Employer identification number
Littleton Hospital Association F/K/A Littleton Regional Hospital Assoc.	02-0222152

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 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. Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 **Total support.** Add lines 7 through 10						

12 Gross receipts from related activities, etc. (see instructions) 12

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 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 from 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 a 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 Section 509(a)(2)

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 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 section 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 ▶ ☐

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, Part V, line 35c (Proxy Tax), then

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

Name of organization	Employer identification number
Littleton Hospital Association F/K/A Littleton Regional Hospital Assoc.	02-0222152

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

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV.
2 Political expenditures ▶ $ _____
3 Volunteer hours _____

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

1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ $ _____
2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ $ _____
3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? ☐ Yes ☐ No
4a Was a correction made? ☐ Yes ☐ No
b If "Yes," describe in Part IV.

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

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ $ _____
2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ▶ $ _____
3 Total exempt function expenditures. Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b ▶ $ _____
4 Did the filing organization file **Form 1120-POL** for this year? ☐ Yes ☐ No
5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments For each organization listed, enter the amount paid from the filing organization's funds. Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

(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)		
b Total lobbying expenditures to influence a legislative body (direct lobbying)		
c Total lobbying expenditures (add lines 1a and 1b)		
d Other exempt purpose expenditures		
e Total exempt purpose expenditures (add lines 1c and 1d)		
f Lobbying nontaxable amount Enter the amount from the following table in both columns		
g Grassroots nontaxable amount (enter 25% of line 1f)		
h Subtract line 1g from line 1a If zero or less, enter -0-		
i Subtract line 1f from line 1c. If zero or less, enter -0-		

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

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

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

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

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

For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity	(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?		X	
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		X	
c Media advertisements?		X	
d Mailings to members, legislators, or the public?		X	
e Publications, or published or broadcast statements?		X	
f Grants to other organizations for lobbying purposes?		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body?		X	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		X	
i Other activities?	X		14,384.
j Total. Add lines 1c through 1i			14,384.
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		X	
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 carry over 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) and if either (a) BOTH Part III-A, lines 1 and 2, are answered "No" OR (b) Part III-A, line 3, is answered "Yes."**

1	Dues, assessments and similar amounts from members	1	
2	Section 162(e) nondeductible 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, Part II-A, and Part II-B, line 1 Also, complete this part for any additional information.

Part II-B, Line 1, Lobbying Activities:

Littleton Hospital Association is a member of the NH Hospital Association and the American Hospital Association. A portion of the dues paid to these organizations is available for lobbying expenditures on behalf of Littleton Hospital Association and other member organizations in furtherance of their exempt purposes. Littleton

Part IV **Supplemental Information** *(continued)*

Hospital Association does not directly perform any lobbying activities.

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 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: Littleton Hospital Association
F/K/A Littleton Regional Hospital Assoc.

Employer identification number: 02-0222152

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 can 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 education)
☐ Protection of natural habitat
☐ Preservation of open space
☐ Preservation of an historically important land area
☐ Preservation of a certified historic structure

2 Complete lines 2a through 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 Tax 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, and not on a historic structure listed in the National Register	2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax 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 section 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 (ASC 958), 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 (ASC 958), 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 (ASC 958) 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 acquisition, 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	717,945.	767,249.	728,305.	739,898.	
b Contributions				9,683.	
c Net investment earnings, gains, and losses	77,221.	<48,189.>	49,089.	<21,200.>	
d Grants or scholarships					
e Other expenditures for facilities and programs	1,072.	1,115.	10,145.	75.	
f Administrative expenses					
g End of year balance	794,094.	717,945.	767,249.	728,306.	

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as

a Board designated or quasi-endowment ▶ .00 %
b Permanent endowment ▶ 83.16 %
c Temporarily restricted endowment ▶ 16.84 %

The percentages in lines 2a, 2b, and 2c should equal 100%

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)		X
(ii) related organizations 3a(ii)		X
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		786,809.		786,809.
b Buildings		38,200,940.	16,182,073.	22,018,867.
c Leasehold improvements				
d Equipment		33,997,822.	16,847,779.	17,150,043.
e Other		5,684,515.	523,331.	5,161,184.
Total. Add lines 1a through 1e. *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				45,116,903.

Schedule D (Form 990) 2011

132052
01-23-12

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)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
(I)		
Total. (Col (b) must equal Form 990, Part X, col (B) line 12.) ▶		

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
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total. (Col (b) must equal Form 990, Part X, col (B) line 13.) ▶		

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

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
Total. *(Column (b) must 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) Book value
(1) Federal income taxes	
(2) Reserve for Self-Funded Health	
(3) Insurance	744,000.
(4) Due to Third Party Payers	5,164,209.
(5) Deferred Compensation	777,904.
(6) Interest Rate Swap	4,091,936.
(7)	
(8)	
(9)	
(10)	
(11)	
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	10,778,049.

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

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

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	71,954,020.
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	70,694,325.
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	1,259,695.
4	Net unrealized gains (losses) on investments	4	1,874,109.
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV.)	8	<222,584.>
9	Total adjustments (net). Add lines 4 through 8	9	1,651,525.
10	Excess or (deficit) for the year per audited financial statements Combine lines 3 and 9	10	2,911,220.

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	73,384,233.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	1,874,109.		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV)	2d			
e	Add lines **2a** through **2d**			2e	1,874,109.
3	Subtract line **2e** from line **1**			3	71,510,124.
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	151,328.		
b	Other (Describe in Part XIV)	4b	292,568.		
c	Add lines **4a** and **4b**			4c	443,896.
5	Total revenue Add lines **3** and **4c.** *(This must equal Form 990, Part I, line 12)*			5	71,954,020.

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

1	Total expenses and losses per audited financial statements			1	70,473,013.
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	70,473,013.
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	151,328.		
b	Other (Describe in Part XIV.)	4b	69,984.		
c	Add lines **4a** and **4b**			4c	221,312.
5	Total expenses Add lines **3** and **4c.** *(This must equal Form 990, Part I, line 18.)*			5	70,694,325.

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, line 2, 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

Part XI, Line 8 - Other Adjustments:

Unrealized Loss on Interest Rate Swap	-222,584.

Part XII, Line 4b - Other Adjustments:

Foundation Subsidy	55,959.
Unrealized Loss on Interest Rate Swap	222,584.
Community Benefit	14,025.

Part XIV Supplemental Information *(continued)*

Total to Schedule D, Part XII, Line 4b	292,568.

Part XIII, Line 4b - Other Adjustments:

Foundation Subsidy	55,959.
Community Benefit	14,025.
Total to Schedule D, Part XIII, Line 4b	69,984.

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	Employer identification number
Littleton Hospital Association F/K/A Littleton Regional Hospital Assoc.	02-0222152

Part I Financial Assistance and Certain Other Community Benefits at Cost

			Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	1a	X	
b	If "Yes," was it a written policy?	1b	X	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year [X] Applied uniformly to all hospital facilities [ ] Applied uniformly to most hospital facilities [ ] Generally tailored to individual hospital facilities			
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year			
a	Did the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing *free* care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care [ ] 100% [ ] 150% [X] 200% [ ] Other _____ %	3a	X	
b	Did the organization use FPG to determine eligibility for providing *discounted* care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care. [ ] 200% [ ] 250% [X] 300% [ ] 350% [ ] 400% [ ] Other _____ %	3b	X	
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 used an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care.			
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	4	X	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	X	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b		X
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?	5c		
6a	Did the organization prepare a community benefit report during the tax year?	6a	X	
b	If "Yes," did the organization make it available to the public?	6b	X	

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

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			1,384,273.		1,384,273.	1.96%
b Medicaid (from Worksheet 3, column a)			2,820,241.		2,820,241.	3.99%
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs			4,204,514.		4,204,514.	5.95%
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			160,134.		160,134.	.23%
f Health professions education (from Worksheet 5)			55,115.		55,115.	.08%
g Subsidized health services (from Worksheet 6)			300,477.		300,477.	.43%
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			16,638.		16,638.	.02%
j **Total.** Other Benefits			532,364.		532,364.	.76%
k **Total.** Add lines 7d and 7j			4,736,878.		4,736,878.	6.71%

Part II Community Building Activities Complete this table if the organization conducted any community building activities during the tax year, and describe in Part VI how its community building activities promoted the health of the communities it serves

		(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing						
2	Economic development						
3	Community support			4,670.		4,670.	.01%
4	Environmental improvements			38,870.		38,870.	.05%
5	Leadership development and training for community members						
6	Coalition building			13,220.		13,220.	.02%
7	Community health improvement advocacy						
8	Workforce development			4,966.		4,966.	.01%
9	Other						
10	Total			61,726.		61,726.	.09%

Part III Bad Debt, Medicare, & Collection Practices

				Yes	No
Section A. Bad Debt Expense					
1	Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?		1	X	
2	Enter the amount of the organization's bad debt expense	2 5,934,669.			
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance 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 19,974,038.			
6	Enter Medicare allowable costs of care relating to payments on line 5	6 19,974,038.			
7	Subtract line 6 from line 5. This is the surplus (or shortfall)	7			
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	X	
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	X	

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 %

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 Littleton Regional Hospital 600 St. Johnsbury Road Littleton, NH 03561	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)

Name of Hospital Facility: Littleton Regional Hospital

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 tax year 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 line 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 the community health 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 ☐ Participation in the development of a community-wide community benefit plan			
d ☐ Participation in the execution of a 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 Needs Assessment			
g ☐ Prioritization of health needs in its 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 and 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 Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	X	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	9	X	
If "Yes," indicate the FPG family income limit for eligibility for free care 200 %			
If "No," explain in Part VI the criteria the hospital facility used.			

Part V Facility Information *(continued)* Littleton Regional Hospital

		Yes	No
10 Used FPG to determine eligibility for providing *discounted* care?	10	X	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 300 %			
If "No," explain in Part VI the criteria the hospital facility used			
11 Explained the basis for calculating amounts charged to patients?	11	X	
If "Yes," indicate the factors used in determining such amounts (check all that apply).			
a [X] Income level			
b [X] Asset level			
c [X] Medical indigency			
d [X] Insurance status			
e [X] Uninsured discount			
f [X] Medicaid/Medicare			
g [X] State regulation			
h [ ] Other (describe in Part VI)			
12 Explained the method for applying for financial assistance?	12	X	
13 Included measures to publicize the policy within the community served by the hospital facility?	13	X	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply).			
a [X] The policy was posted on the hospital facility's website			
b [X] The policy was attached to billing invoices			
c [X] The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d [X] The policy was posted in the hospital facility's admissions offices			
e [ ] The policy was provided, in writing, to patients on admission to the hospital facility			
f [X] The policy was available on 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	X	
15 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine patient's eligibility under the facility's FAP			
a [X] Reporting to credit agency			
b [X] Lawsuits			
c [ ] Liens on residences			
d [ ] Body attachments			
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		X
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 line 16 (check all that apply).			
a [ ] Notified patients of the financial assistance policy on 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)* Littleton Regional Hospital

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?	X	
	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 its 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? If "Yes," explain in Part VI.		X
21	Did the hospital facility charge any of its FAP-eligible patients an amount equal to the gross charge for any service provided to that patient? If "Yes," explain in Part VI		X

Part V Facility Information *(continued)*

Section C. Other Health Care 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 health care facilities did the organization operate during the tax year? 3

Name and address	Type of Facility (describe)
1 Littleton Rehabilitative Services 551 Meadow Street Littleton, NH 03561	Rehabilitation Clinic
2 Littleton Orthopaedics 81 Bethlehem Road Littleton, NH 03561	Outpatient Physician Clinic
3 Summit Medical Group 220 Cottage Street Littleton, NH 03561	Outpatient Physician Clinic

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

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

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

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

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

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

Part I, Line 7: The Hospital determines its cost of charity care based on an overall financial statement cost to charge ratio applied against gross charity care charges.

Part I, Ln 7 Col(f): The Hospital has recorded $5,934,669 of Bad Debt Expense included on Form 990, Part IX, Line 25 which has been subtracted for purposes of calculating the percentage in this column.

Part III, Line 4: Management provides for probable uncollectible amounts through a charge to operations and a credit to a valuation allowance based on its assessment of individual accounts and historical adjustments. Balances that are still outstanding, after management has used reasonable collection efforts, are written off through a charge to the valuation allowance and a credit to patient accounts receivable. The valuation of charity care does not include any bad debt receivables or revenue.

Part VI, Line 2: The Littleton Regional Hospital Community is defined as all people living in the communities listed in Part XI, Line 4. These

Part VI | Supplemental Information

communities were chosen by their geographic proximity to the Hospital and to the services and programs provided.

Part VI, Line 3: Any applicant will receive a prompt decision on eligibility and amount of charity care offered. Notices of the Charity Care Policy are posted in the lobbies, waiting rooms and other public areas. Notices are also given to recipients who are served in their homes.

Part VI, Line 4: The Hospital's primary service area includes Littleton, Bethlehem, Lisbon, Franconia, Sugar Hill and Carroll. The secondary service area includes Whitefield, Lancaster, Groveton, Monroe, North Woodstock, Lincoln, Woodsville and Bath (all in NH), and St. Johnsbury, Lunenberg, Lyndonville, Concord, Gilman (all in VT). The area spans across a good majority of Northern New Hampshire and the Northeast Kingdom of Vermont.

Part VI, Line 7, List of States Receiving Community Benefit Report:

NH

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, line 23.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization: Littleton Hospital Association F/K/A Littleton Regional Hospital Assoc.

Employer identification number: 02-0222152

Part I Questions Regarding Compensation

		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items.		
	☐ First-class or charter travel ☐ Travel for companions ☐ Tax indemnification and gross-up payments ☐ Discretionary spending account ☐ Housing allowance or residence for personal use ☐ Payments for business use of personal residence ☐ Health or social club dues or initiation fees ☐ Personal services (e g , maid, chauffeur, chef)		
b	If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain **1b**		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a? **2**		
3	Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director Explain in Part III.		
	☐ Compensation committee ☐ Independent compensation consultant ☒ Form 990 of other organizations ☒ Written employment contract ☒ Compensation survey or study ☒ 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**		X
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan? **4b**		X
c	Participate in, or receive payment from, an equity-based compensation arrangement? **4c**		X
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.		
	Only section 501(c)(3) and 501(c)(4) organizations 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**		X
b	Any related organization? **5b**		X
	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**		X
b	Any related organization? **6b**		X
	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**		X
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III **8**		X
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)? **9**		

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

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

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts 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 as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1 Edward Duffy, MD	(i)	263,341.	0.	54,000.	12,250.	42,087.	371,678.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
2 Deane Rankin, MD	(i)	362,322.	25,478.	1,750.	12,250.	59,236.	461,036.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
3 Nicholas Marks	(i)	335,632.	81,317.	0.	12,250.	53,954.	483,153.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
4 Warren West	(i)	276,589.	0.	6,000.	12,250.	42,570.	337,409.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
5 Robert Fotter	(i)	181,934.	5,279.	0.	9,590.	18,973.	215,776.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
6 Linda Gilmore	(i)	187,535.	5,411.	0.	9,989.	32,687.	235,622.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
7 David Lovejoy	(i)	397,262.	0.	13,000.	12,250.	43,728.	466,240.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
8 Michael Kindred	(i)	310,464.	0.	20,250.	12,250.	38,595.	381,559.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
9 Patrick Fitzpatrick	(i)	362,820.	0.	1,000.	8,693.	0.	372,513.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
10 Lon Howard	(i)	553,810.	6,000.	2,500.	12,250.	67,546.	642,106.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
11 Harlan Herr	(i)	502,499.	0.	6,360.	12,250.	32,681.	553,790.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
12	(i)							
	(ii)							
13	(i)							
	(ii)							
14	(i)							
	(ii)							
15	(i)							
	(ii)							
16	(i)							
	(ii)							

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 Part VI.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047
2011
Open to Public Inspection

Name of the organization: Littleton Hospital Association
F/K/A Littleton Regional Hospital Assoc.

Employer identification number: 02-0222152

Part I Bond Issues See Part VI for Columns (a) and (f) Continuations

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased Yes	(g) Defeased No	(h) On behalf of issuer Yes	(h) On behalf of issuer No	(i) Pooled financing Yes	(i) Pooled financing No
A	Business Finance Authority of the State o	52-1304598	64468kbg0	11/15/07	30,000,000.	Refunded series 1998A and 1998B B		X		X		X
B												
C												
D												

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired				
2	Amount of bonds legally defeased				
3	Total proceeds of issue	30,000,000.			
4	Gross proceeds in reserve funds				
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrows				
7	Issuance costs from proceeds	274,108.			
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds	29,725,892.			
11	Other spent proceeds				
12	Other unspent proceeds				
13	Year of substantial completion	2012			

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

Part III Private Business Use

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

Part III Private Business Use *(Continued)*

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

Part IV Arbitrage

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

Part V 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 Part VI Supplemental Explanation sheet

Part VI Supplemental Information. Complete this part to provide additional information for responses to questions on Schedule K.

Schedule K, Part I, Bond Issues:

(a) Issuer Name: Business Finance Authority of the State of New Hampshire

(f) Description of Purpose: Refunded series 1998A and 1998B Bonds

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, line 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 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: Littleton Hospital Association
F/K/A Littleton Regional Hospital Assoc.

Employer identification number: 02-0222152

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) Loan to or from the organization? From	(c) Original principal amount	(d) Balance due	(e) In default? Yes	(e) In default? No	(f) Approved by board or committee? Yes	(f) Approved by board or committee? No	(g) Written agreement? Yes	(g) Written agreement? No
Total			▶ $							

Part III Grants or Assistance Benefiting 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 and type of assistance

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ. Schedule L (Form 990 or 990-EZ) 2011

132131 01-19-12

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
George Brodeur	Trustee	56,158.	George Brod		X

Part V Supplemental Information

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

Sch L, Part IV, Business Transactions Involving Interested Persons:

(a) Name of Person: George Brodeur

(b) Relationship Between Interested Person and Organization:

Trustee

(c) Amount of Transaction $ 56,158.

(d) Description of Transaction: George Brodeur is the Owner's Representative for Littleton Hospital Association's building project. He became a member of the Board of Trustees in September 2010 and was paid as an independent contractor for his services.

(e) Sharing of Organization Revenues? = No

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 990-EZ 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: Littleton Hospital Association
F/K/A Littleton Regional Hospital Assoc.

Employer identification number: 02-0222152

Form 990, Part III, Line 1, Description of Organization Mission:

diagnostic, theraputic, and rehabilitative services on an outpatient and inpatient basis; continuity of care from preventive programs to coordination with home health services.

To provide these services without regard to race, religion, age, sex, income, creed, national origin, or disability.

To maintain a sufficient number and mix of medical staff who are competent, dedicated and commmunity based, supporting them with the technologically up-to-date equipment and facility needed to provide these services competitively.

To create a healthy, satisfying work environment for phsycians, nurses and other employees, with a commitment to support the continuing educational needs of its professional staff, including the physicians, nurses and allied health personnel.

Form 990, Part VI, Section A, line 6: All persons making an annual contribution to Littleton Hospital Association or Littleton Regional Hospital Charitable Foundation, who are at least eighteen (18) years of age, or any legal adult resident of any town raising an annual appropriation to the Littleton Hospital Association shall thereupon, and without further election or action by the Association, automatically become a member of the Association. Failure to contribute to the Hospital or Foundation in the following fiscal year shall automatically terminate the membership.

Form 990, Part VI, Section A, line 7a: Each member of the Association

shall be qualified to originate and take part in the discussion of any subject that may properly come before any meeting of the Association, to vote on such subject, and to hold any office in the Association to which he or she may be elected or appointed.

Form 990, Part VI, Section B, line 11: The return was reviewed by the entire Board of Directors prior to the filing.

Form 990, Part VI, Section B, Line 12c: All Trustees, Department directors and Auxilians complete a Conflict of Interest Statement each year, and any potential conflicts are reported to the Board of Trustees and to other places as required by law. In addition, front-line employees who don't normally make decisions for the facility are expected to report forward any conflicts they may have, should they ever be in a position to influence decision making. Quality Services queries these groups on an annual basis, and tracks down people until all statements are complete.

Form 990, Part VI, Section B, Line 15: Key employees complete self-evaluation - HR Director prepares compensation surveys, reviews 990 of other organizations. The CFO's salary is approved by the CEO. The CEO's salary is approved by the Board.

Form 990, Part VI, Section C, Line 19: The hospital's governing documents and financial statements are made available upon request. The hospital's conflict of interest policy is not made available to the public.

Form 990, Part XI, line 5, Changes in Net Assets:

Net unrealized gains on investments: 1,874,109.

Name of the organization: Littleton Hospital Association F/K/A Littleton Regional Hospital Assoc.

Employer identification number: 02-0222152

Unrealized Loss on Interest Rate Swap	-222,584.
Total to Form 990, Part XI, Line 5	1,651,525.

Form 990, Part XII, Line 2c

The organization has not changed its oversight or selection process during the tax year.

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: Littleton Hospital Association
F/K/A Littleton Regional Hospital Assoc.

Employer identification number: 02-0222152

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" to 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" to 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 entity? Yes	(g) Section 512(b)(13) controlled entity? No
Littleton Regional Hospital Charitable Foundation - 04-3750643, 600 St. Johnsbury Road, Littleton, NH 03561	Charitable Foundation	New Hampshire	501(c)(3)	Line 7			X

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule R (Form 990) 2011

132161
01-23-12 LHA

Part III **Identification of Related Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" to 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) Disproportionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership

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

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

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

Part VI Unrelated Organizations Taxable as a Partnership (Complete if the organization answered "Yes" to 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 section 512-514)	(e) Are all partners sec 501(c)(3) orgs? Yes	(e) No	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) NO	(k) Percentage ownership

Part VII Supplemental Information

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

Form **8868**
(Rev. January 2012)
Department of the Treasury
Internal Revenue Service

Application for Extension of Time To File an Exempt Organization Return

▶ File a separate application for each return.

OMB No. 1545-1709

- If you are filing for an **Automatic 3-Month Extension, complete only Part I** and check this box ▶ [X]
- If you are filing for an **Additional (Not Automatic) 3-Month Extension, complete only Part II** (on page 2 of this form)

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868

Electronic filing *(e-file)*. You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit *www irs gov/efile* and click on *e-file for Charities & Nonprofits*

Part I **Automatic 3-Month Extension of Time.** Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete Part I only ▶ [ ]

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Type or print File by the due date for filing your return See instructions	Name of exempt organization or other filer, see instructions	Employer identification number (EIN) or
	Littleton Hospital Association F/K/A Littleton Regional Hospital Assoc.	[X] 02-0222152
	Number, street, and room or suite no. If a P.O. box, see instructions. 600 St. Johnsbury Road	Social security number (SSN) [ ]
	City, town or post office, state, and ZIP code For a foreign address, see instructions. Littleton, NH 03561	

Enter the Return code for the return that this application is for (file a separate application for each return) 0 1

Application Is For	Return Code	Application Is For	Return Code
Form 990	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	01	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

- The books are in the care of ▶ Robert Fotter, CFO
  600 St. Johnsbury Rd - Littleton, NH 03561
  Telephone No ▶ 603-444-9000 FAX No. ▶
- If the organization does not have an office or place of business in the United States, check this box ▶ [ ]
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____ If this is for the whole group, check this box ▶ [ ] If it is for part of the group, check this box ▶ [ ] and attach a list with the names and EINs of all members the extension is for

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until May 15, 2013, to file the exempt organization return for the organization named above. The extension is for the organization's return for.
▶ [ ] calendar year _____ or
▶ [X] tax year beginning OCT 1, 2011, and ending SEP 30, 2012

2 If the tax year entered in line 1 is for less than 12 months, check reason [ ] Initial return [ ] Final return [ ] Change in accounting period

3a	If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits See instructions	3a	$ 0.
b	If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	$ 0.
c	**Balance due.** Subtract line 3b from line 3a Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System) See instructions	3c	$ 0.

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

LHA **For Privacy Act and Paperwork Reduction Act Notice, see Instructions.** Form **8868** (Rev. 1-2012)

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01-04-12

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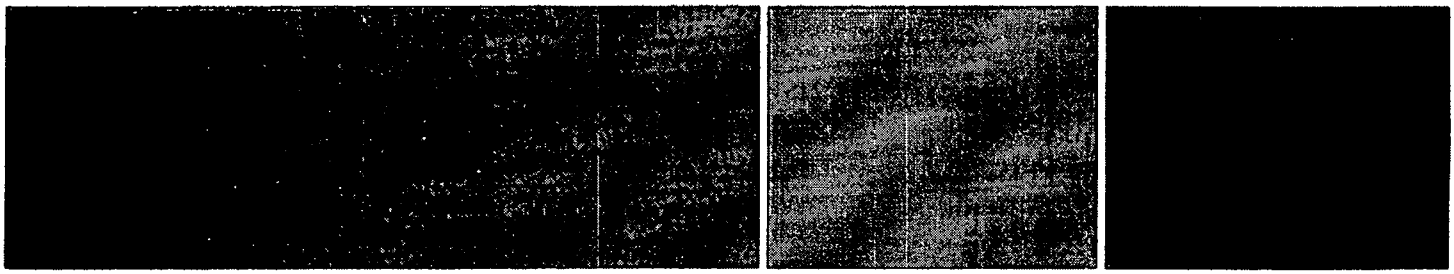

LITTLETON REGIONAL HEALTHCARE

LITTLETON HOSPITAL ASSOCIATION, INC.
(d/b/a LITTLETON REGIONAL HEALTHCARE AND SUBSIDIARY)

CONSOLIDATED FINANCIAL STATEMENTS

and

SUPPLEMENTARY INFORMATION

With Independent Auditors' Report

September 30, 2012 and 2011

LITTLETON HOSPITAL ASSOCIATION, INC.
(d/b/a LITTLETON REGIONAL HEALTHCARE AND SUBSIDIARY)

September 30, 2012 and 2011

Table of Contents

BerryDunn

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Littleton Hospital Association, Inc.
(d/b/a Littleton Regional Healthcare and Subsidiary)

We have audited the accompanying consolidated balance sheets of Littleton Hospital Association, Inc. (d/b/a Littleton Regional Healthcare and Subsidiary) as of September 30, 2012 and 2011, and the related consolidated statements of operations, changes in net assets and cash flows for the years then ended. These consolidated financial statements are the responsibility of Littleton Regional Healthcare and Subsidiary's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Littleton Regional Healthcare and Subsidiary as of September 30, 2012 and 2011, and the consolidated results of its operations, consolidated changes in its net assets and its consolidated cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Schedules 1 through 3 is presented for purposes of additional analysis and is not a required part of the basic 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Berry Dunn McNeil & Parker, LLC

Manchester, New Hampshire
December 12, 2012

LITTLETON HOSPITAL ASSOCIATION, INC.
(d/b/a LITTLETON REGIONAL HEALTHCARE AND SUBSIDIARY)

Consolidated Balance Sheets

September 30, 2012 and 2011

ASSETS

	2012	2011
Current assets		
Cash and cash equivalents	$ 4,085,605	$ 9,302,780
Patient accounts receivable, net	9,385,246	7,871,050
Supplies	1,485,073	1,264,831
Prepaid expenses and other current assets	1,460,349	1,159,656
Assets limited as to use, current portion	572,945	553,875
Total current assets	16,989,218	20,152,192
Assets limited as to use, less current portion	24,152,111	18,163,200
Property and equipment, net	45,116,903	42,025,104
Deferred financing costs, net	147,050	163,436
Total assets	$ 86,405,282	$ 80,503,932

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

LIABILITIES AND NET ASSETS

	2012	2011
Current liabilities		
Current portion of long-term debt	$ 963,100	$ 600,000
Accounts payable and other accrued expenses	3,311,826	3,442,730
Accrued salaries, wages and related accounts	2,061,462	2,363,132
Other current liabilities	598,850	556,431
Due to third-party payors	5,164,209	2,945,673
Reserve for self-funded health insurance	744,000	1,015,000
Total current liabilities	12,843,447	10,922,966
Deferred compensation	777,904	661,382
Long-term debt, less current portion	29,192,882	28,550,000
Interest rate swap	4,091,936	3,869,352
Total liabilities	46,906,169	44,003,700
Commitments and contingencies (Notes 4, 8 and 14)		
Net assets		
Unrestricted	37,735,018	34,936,714
Temporarily restricted	285,310	228,870
Permanently restricted	1,478,785	1,334,648
Total net assets	39,499,113	36,500,232
Total liabilities and net assets	$ 86,405,282	$ 80,503,932

LITTLETON HOSPITAL ASSOCIATION, INC.
(d/b/a LITTLETON REGIONAL HEALTHCARE AND SUBSIDIARY)

Consolidated Statements of Operations

Years Ended September 30, 2012 and 2011

	2012	2011
Unrestricted revenues, gains (losses) and other support		
Patient service revenue (net of contractuals and discounts)	**$ 75,077,218**	$ 70,727,853
Less provision for bad debts	**5,934,669**	4,076,025
Net patient service revenue	**69,142,549**	66,651,828
Other operating revenues	**1,644,493**	1,425,560
Meaningful use incentive revenue	**712,822**	-
Loss on sale of property and equipment	**(43,705)**	(25,796)
Net assets released from restrictions used in operations	**61,368**	103,222
Total unrestricted revenues, gains (losses) and other support	**71,517,527**	68,154,814
Expenses		
Salaries and wages	**28,519,407**	27,773,038
Employee benefits	**6,888,215**	7,183,217
Supplies and other	**25,206,408**	22,598,491
Medicaid Enhancement Tax	**3,912,471**	2,910,852
Depreciation and amortization	**5,374,271**	3,925,435
Interest	**708,632**	801,148
Total expenses	**70,609,404**	65,192,181
Operating income	**908,123**	2,962,633
Nonoperating gains (losses)		
Income from investments	**402,603**	475,612
Unrestricted gifts	**14,779**	18,560
Net realized and unrealized gains (losses) on investments	**1,856,246**	(1,186,857)
Community benefit expense	**(14,025)**	(432,082)
Investment management fees	**(146,838)**	(155,620)
Unrealized loss on interest rate swap	**(222,584)**	(603,661)
Nonoperating gains (losses), net	**1,890,181**	(1,884,048)
Excess revenues over expenses and increase in unrestricted net assets	**$ 2,798,304**	$ 1,078,585

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

LITTLETON HOSPITAL ASSOCIATION, INC.
(d/b/a LITTLETON REGIONAL HEALTHCARE AND SUBSIDIARY)

Consolidated Statements of Changes in Net Assets

Years Ended September 30, 2012 and 2011

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Balances, October 1, 2010	$ 33,858,129	$ 257,969	$ 952,346	$ 35,068,444
Excess revenues over expenses and increase in unrestricted net assets	1,078,585	-	-	1,078,585
Contributions	-	70,614	499,243	569,857
Net realized and unrealized losses on investments	-	(25,196)	(104,681)	(129,877)
Investment income (loss), net	-	28,705	(12,260)	16,445
Net assets released from restriction for operations	-	(103,222)	-	(103,222)
Increase (decrease) in net assets	1,078,585	(29,099)	382,302	1,431,788
Balances, September 30, 2011	34,936,714	228,870	1,334,648	36,500,232
Excess revenues over expenses and increase in unrestricted net assets	2,798,304	-	-	2,798,304
Contributions	-	63,983	9,820	73,803
Net realized and unrealized gains on investments	-	30,068	151,379	181,447
Investment income (loss), net	-	23,757	(17,062)	6,695
Net assets released from restriction for operations	-	(61,368)	-	(61,368)
Increase in net assets	2,798,304	56,440	144,137	2,998,881
Balances, September 30, 2012	$ 37,735,018	$ 285,310	$ 1,478,785	$ 39,499,113

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

LITTLETON HOSPITAL ASSOCIATION, INC.
(d/b/a LITTLETON REGIONAL HEALTHCARE AND SUBSIDIARY)

Consolidated Statements of Cash Flows

Years Ended September 30, 2012 and 2011

	2012	2011
Cash flows from operating activities		
Change in net assets	$ 2,998,881	$ 1,431,788
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Provision for bad debts	5,934,669	4,076,025
Depreciation and amortization	5,374,271	3,925,435
Loss on sale of property and equipment	43,705	25,796
Net realized and unrealized losses (gains) on investments	(2,037,693)	1,316,734
Unrealized loss on interest rate swap	222,584	603,661
(Increase) decrease in assets		
Patients accounts receivable	(7,448,865)	(2,633,420)
Supplies	(220,242)	(97,322)
Prepaid expenses and other current assets	(300,693)	533,028
Increase (decrease) in liabilities		
Accounts payable and other accrued expenses	(130,904)	(2,141,018)
Accrued salaries, wages and related accounts	(301,670)	718,968
Other current liabilities	42,419	(230,725)
Due to third-party payors	2,218,536	371,841
Deferred compensation	116,522	102,758
Reserve for self-funded health insurance	(271,000)	(132,000)
Net cash provided by operating activities	6,240,520	7,871,549
Cash flows from investing activities		
Proceeds from sale of property and equipment	41,465	6,205
Purchases of investments	(11,128,796)	(17,909,920)
Proceeds from sale of investments	7,158,508	17,090,209
Purchases of property and equipment	(6,844,347)	(4,871,044)
Net cash used by investing activities	(10,773,170)	(5,684,550)
Cash flows from financing activities		
Payments on long-term debt	(684,525)	(575,000)
Net cash used by financing activities	(684,525)	(575,000)
Net (decrease) increase in cash and cash equivalents	(5,217,175)	1,611,999
Cash and cash equivalents, beginning of year	9,302,780	7,690,781
Cash and cash equivalents, end of year	$ 4,085,605	$ 9,302,780
Supplemental disclosures of cash flow information		
Interest paid, including $72,500 of capitalized interest in 2012	$ 716,154	$ 801,765
Acquisition of equipment financed through capital lease	1,690,507	-

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

Organization

Littleton Hospital Association, Inc. (the Hospital) (d/b/a Littleton Regional Healthcare and Subsidiary) (the Organization) is a New Hampshire not-for-profit corporation which operates a community oriented general hospital. The Hospital registered a d/b/a name change in May 2012 changing its d/b/a from Littleton Regional Hospital to Littleton Regional Healthcare. The financial statements also include the Organization's subsidiary Littleton Regional Hospital Charitable Foundation (the Foundation), which raises funds primarily for the benefit of the Hospital.

1. Summary of Significant Accounting Policies

Basis of Presentation

The Organization's financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-For-Profit Entities*. Under FASB ASC 958, all not-for-profit organizations are required to provide a statement of financial position, a statement of operations, and a statement of cash flows. The Statement requires reporting amounts for the Organization's total assets, liabilities, and net assets in a balance sheet; reporting the change in an organization's net assets in a statement of operations; and reporting the change in its cash and cash equivalents in a statement of cash flows.

ASC 958 also requires net assets and its revenues, expenses, gains, and losses be classified based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of the three classes of net assets - permanently restricted, temporarily restricted, and unrestricted - be displayed in a balance sheet and that the amounts of change in each of those classes of net assets be displayed in a statement of operations.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Hospital and its subsidiary. All significant intercompany balances and transactions have been eliminated in the consolidated financial statements.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (GAAP) 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 reported period. Actual results could differ from those estimates.

Income Taxes

The Hospital and the Foundation are not-for-profit corporations as described in Section 501(c)(3) of the Code and are exempt from federal income taxes on related income.

Cash and Cash Equivalents

Cash and cash equivalents include money market funds with a maturity of three months or less when purchased. Cash and cash equivalents exclude assets whose use is limited by the Board of Trustees. The Organization maintains its cash in deposit accounts which, at times, may exceed federal depository insurance limits. Management believes credit risk related to these investments is minimal. The Hospital has not experienced any losses in such accounts.

Patient Accounts Receivable

Patient accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to operations and a credit to a valuation allowance based on its assessment of individual accounts and historical adjustments. Balances that are still outstanding, after management has used reasonable collection efforts, are written-off through a charge to the valuation allowance and a credit to patient accounts receivable.

In evaluating the collectibility of accounts receivable, the Hospital analyzes past results and identifies trends for each major payor source of revenue for the purpose of estimating the appropriate amounts of the allowance for doubtful accounts and the provision for bad debts. The adequacy of the allowance for doubtful accounts is regularly reviewed. For receivables associated with services provided to patients who have third-party coverage an allowance for doubtful accounts and a provision for bad debts are established at varying levels based on the age and payor source of the receivable. For receivables associated with self-pay patients, the Hospital records a provision for bad debts in the period of service based on past experience indicating the inability or unwillingness to pay amounts for which they are financially responsible

Supplies

Supplies are carried at the lower of cost (determined by the first-in, first-out method) or market.

Investments and Investment Income

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the balance sheet. Management has adopted ASC 825-35-4 and has elected the fair value option relative to its investments which consolidates all investment performance activity within the nonoperating gains (losses) section of the statements of operations.

Donor-restricted investment income and gains (losses) on investments on donor-restricted investments are recorded within their respective net asset category until expended in accordance with the donor's restrictions.

Funds Held by Trustee Under Revenue Bond Agreement

Funds held by the trustee under the revenue bond agreement are comprised of cash and cash equivalents, short-term investments and a fixed income bond.

Property and Equipment

Property and equipment acquisitions are recorded at cost or, if contributed, at fair market value determined at the date of donation. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method. Equipment under capital lease obligations is amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. Such amortization is included in depreciation and amortization in the financial statements. Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets.

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

Deferred Financing Costs

The costs incurred to obtain bond financing and the related letter of credit are amortized over the repayment period of the bonds.

Employee Fringe Benefits

The Organization has an "earned time" plan to provide certain fringe benefits for its employees. Under this plan, each employee "earns" paid leave each payroll period. Accumulated hours may be used for vacations, holidays or illnesses. Hours earned, but not used, vest with the employees up to established limits. The Organization accrues the cost of these benefits as they are earned.

Interest Rate Swap

The Hospital uses an interest rate swap contract to eliminate the cash flow exposure of interest rate movements on variable-rate debt. The Hospital has adopted FASB ASC 815, *Derivatives and Hedging*, to account for its interest rate swap contract. The interest rate swap is not considered a cash flow hedge, and thus is included within nonoperating gains (losses).

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by the Organization has been limited by donors to a specific time period or purpose. When a donor restriction expires, that is, 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 statements of operations and changes in net assets as either net assets released from restrictions used for operations or net assets released from restrictions used for capital acquisition.

Permanently restricted net assets have been restricted by donors to be maintained by the Organization in perpetuity.

Nonoperating Gains (Losses)

Activities, other than in connection with providing health care services, are considered to be nonoperating. Nonoperating gains and losses consist primarily of income and gains and losses on invested funds, unrestricted gifts, community benefit expense, and unrealized loss on interest rate swap.

Net Patient Service Revenue

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 and per diem rates. 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.

Donor-Restricted Gifts

Unconditional promises to give cash and other assets to the Organization are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statements of operations as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying financial statements.

Charity Care

The Organization provides care to patients who meet certain criteria under its charity care policy. Because the Organization does not pursue collection of amounts determined to qualify as charity care, they are not reported in net revenue.

Subsequent Events

For purposes of the preparation of these financial statements in conformity with GAAP, the Organization has considered transactions or events occurring through December 12, 2012, which was the date the financial statements were issued.

2. Net Patient Service Revenue and Patient Accounts Receivable

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

Medicare

The Hospital is a Critical Access Hospital (CAH). Under the CAH program, the Hospital is reimbursed at 101% of allowable costs for its inpatient and most outpatient services provided to Medicare patients. The Hospital is reimbursed at tentative rates with final determination after submission of annual cost reports by the Hospital and audits thereof by the Medicare fiscal intermediary. The Organization's cost reports have been audited by the fiscal intermediary through September 30, 2008.

Medicaid

Inpatient services rendered to Medicaid program beneficiaries are reimbursed under prospectively determined per discharge rates. The prospectively determined per discharge rates are not subject to retroactive adjustment. Outpatient services rendered to Medicaid beneficiaries are reimbursed on a combination of prospectively determined fee schedules and a cost reimbursement methodology. The Organization is reimbursed for outpatient services at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicaid fiscal intermediary. The Hospital's cost reports have been audited by the fiscal intermediary through September 30, 2008.

Revenue from the Medicare and Medicaid programs accounted for approximately 30% and 8%, respectively, of the Hospital's patient service revenue (net of contractuals and discounts) for the year ended September 30, 2012, and 33% and 10%, respectively, of the Hospital's patient service revenue (net of contractuals and discounts), for the year ended September 30, 2011. Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. The 2012 and 2011 net patient service revenue increased by approximately $555,900 and $1,939,900, respectively, due to differences in retroactive adjustments compared to amounts previously estimated.

Anthem

Inpatient and outpatient services rendered to Anthem subscribers are reimbursed based on standard charges less a negotiated discount, except for lab and radiology services which are reimbursed on fee schedules.

The Hospital has also entered into payment agreements with certain commercial insurance carriers and health maintenance organizations. The basis for payment to the Hospital under these agreements includes prospectively determined rates, discount from charges and prospectively determined daily rates.

The Hospital recognizes patient service revenue associated with services rendered to patients who have third-party payor coverage on the basis of contractual rates for such services. For uninsured patients that do not qualify for charity care, the Hospital recognizes revenue on the basis of its standard rates (or on the basis of discounted rates, if negotiated or provided by policy). Based on historical trends, a significant portion of the Hospital's uninsured patients will be unable or unwilling to pay for the services rendered. Thus, the Hospital records a provision for bad debts related to uninsured patients in the period the services are rendered. Patient service revenue, net of contractual allowances and discounts but before the provision for bad debts, recognized in the period from these major payor source, are as follows:

	2012	2011
Total all payors		
Third-party payors	**$67,283,720**	$66,378,048
Self-pay	**7,793,498**	4,349,805
Patient service revenue (net of contractual allowance)	**$75,077,218**	$70,727,853

During 2012, the Hospital increased its estimate from $1,468,000 to $2,065,000 in the allowance for doubtful accounts relating to self-pay patients. During 2012, self-pay write-offs decreased from $5,939,000 to $5,220,000. Such increases and decreases resulted from trends experienced in the collection of amounts from self-pay patients and third-party payors and a change in write-off practices.

During 2011, the Hospital decreased its estimate from $1,822,000 to $1,468,000 in the allowance for doubtful accounts relating to self-pay patients. During 2011, self-pay write-offs increased from $3,708,000 to $5,939,000. Such increases and decreases resulted from trends experienced in the collection of amounts from self-pay patients and third-party payors and a change in write-off practices.

Net patient service revenue is reported net of contractual allowances and other discounts as follows for the years ended September 30 as follows:

	2012	2011
Gross patient service revenue		
Routine services	$ 5,037,650	$ 5,454,829
Ancillary services	116,893,386	104,696,080
	121,931,036	110,150,909
Less contractuals and discounts	46,853,818	39,423,056
Patient service revenue	75,077,218	70,727,853
Less provision for bad debts	5,934,669	4,076,025
Net patient service revenue	$ 69,142,549	$ 66,651,828

Patient accounts receivable are stated net of estimated contractual allowances and allowance for doubtful accounts, as follows, as of September 30:

		2012	2011
Patient accounts receivable		$ 19,572,246	$ 15,110,050
Less:	Estimated contractual allowances	6,254,000	4,543,000
	Estimated allowance for doubtful accounts	3,933,000	2,696,000
	Patient accounts receivable, net	$ 9,385,246	$ 7,871,050

Disproportionate Share Payments

Medicaid disproportionate share hospital (DSH) payments provide financial assistance to hospitals that serve a large number of low-income patients. The federal government distributes federal DSH funds to each state based on a statutory formula. The states, in turn, distribute their portion of the DSH funding among qualifying hospitals. The states are to use their federal DSH allotments to help cover costs of hospitals that provide care to low-income patients when those costs are not covered by other payors. The State of New Hampshire's plan for the distribution of DSH monies to the hospitals has not yet been approved by the Centers for Medicare and Medicaid Services (CMS). Amounts recorded by the Hospital are therefore subject to change. Included within contractual allowances in patient service revenue in the consolidated statements of operations is $3,208,999 and $3,300,980 for the years ended September 30, 2012 and 2011, respectively.

3. Community Benefit

The Hospital provides services without charge, or at amounts less than its established rates, to patients who meet the criteria of its charity care policy. Patients deemed as not meeting criteria for the New Hampshire Health Access Network will then be considered for the Hospital's Charity Care program. The individual must be deemed ineligible for Medicaid and the Buffington Fund (Lisbon residents only) to be considered for the program. Charity Care will be granted on a sliding scale based on gross income and family size as compared to the federal poverty guidelines as follows:

- 100%-200% of federal poverty guidelines will receive 100% charity care.
- 201%-225% of federal poverty guidelines will receive 75% charity care.
- 226%-275% of federal poverty guidelines will receive 50% charity care.
- 276%-300% of federal poverty guidelines will receive 25% charity care.

The net cost of charity care provided was approximately $1,465,919 in 2012 and $1,963,346 in 2011. The total cost estimate is based on an overall financial statement cost to charge ratio applied against gross charity care charges. In 2012 and 2011, 2.27% and 3.22%, respectively, of all services as defined by percentage of gross revenue was provided on a charity basis.

In 2012, of a total of 1,528 inpatients, 20 received their entire episode of service on a charity basis and 51 received partial subsidy. In 2011, of a total of 1,577 inpatients, 44 received full charity and 46 received partial subsidy.

During 2011 the Hospital donated land and related land improvements to the town of Littleton. The net book value of the land was $432,082 and is included in nonoperating gains (losses) in the consolidated statements of operations.

4. Property and Equipment

The major categories of property and equipment are as follows as of September 30:

	2012	2011
Land	$ 786,809	$ 786,809
Land improvements	3,119,161	2,879,384
Buildings	38,200,940	37,441,730
Fixed equipment	8,414,599	6,783,166
Major moveable equipment	25,519,373	18,031,934
	76,040,882	65,923,023
Less accumulated depreciation and amortization	33,561,833	28,932,078
	42,479,049	36,990,945
Construction in progress	2,637,854	5,034,159
	$45,116,903	$42,025,104

Property and equipment depreciation expense charged to operations was $5,357,885 and $3,914,496 for the years ended September 30, 2012 and 2011, respectively.

During 2010, the Hospital entered into a contract to implement an electronic medical records system. Total project costs through September 30, 2012 were $5,266,282. The main system went "live" October 2011, Physician Order went "live" March 2012, and the electronic documentation system went "live" August 2012. The Physician Documentation component of the system is expected to go "live" April 2013 and $61,600 related to the project remains in construction in progress at September 30, 2012. The entire project was funded through operations.

During 2011 the Hospital entered into a contract for an addition and renovations for operating room, MRI and endoscopy space. Through September 2012 the Hospital expended $4,624,584 on the project. The amount in construction in progress at September 30, 2012 was $2,377,331 for the operating room which is to be completed October 2012. The remainder of the project was completed and placed into service during 2012. The project was funded through operations.

5. Assets Limited as to Use

Assets limited as to use consisted of the following as of September 30:

	2012	2011
Board designated for capital acquisition and operations	**$ 21,664,605**	$16,000,523
Deferred compensation	**777,904**	661,382
Temporary restricted	**285,310**	228,870
Permanently restricted	**1,424,292**	1,272,425
Funds held by trustee under revenue bond agreement	**572,945**	553,875
Total	**24,725,056**	18,717,075
Less current portion	**572,945**	553,875
Noncurrent portion	**$ 24,152,111**	$18,163,200

The composition of assets limited as to use consisted of the following at September 30:

	2012	2011
Cash and cash equivalents	**$ 4,813,104**	$ 1,464,081
Fixed income	**5,229,710**	4,707,690
Marketable equity securities	**9,467,796**	7,796,365
Mutual funds	**1,460,249**	1,230,703
Other investments	**3,754,197**	3,518,236
Total	**$ 24,725,056**	$18,717,075

Net realized gains on the sale of assets limited as to use for the years ended September 30, 2012 and 2011, amounted to $44,959 and $662,128, respectively.

Changes in endowment (donor restricted) net assets for the year ended September 30, 2012, are as follows:

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 134,096	$ 1,266,890	$ 1,400,986
Investment return (loss)			
Investment income, net of fees	22,693	(17,062)	5,631
Realized gains on investments	438	3,543	3,981
Unrealized gains on investments	15,083	147,836	162,919
Total investment return (loss)	38,214	134,317	172,531
Receipts on pledges receivable and other	-	7,319	7,319
Contributions and other	-	9,820	9,820
Appropriation of endowment assets for expenditure	(1,322)	-	(1,322)
Endowment net assets, end of year	$ 170,988	$ 1,418,346	$ 1,589,334

Changes in endowment (donor restricted) net assets for the year ended September 30, 2011 are as follows:

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 121,862	$ 889,547	$ 1,011,409
Investment return (loss)			
Investment income, net of fees	26,095	(12,260)	13,835
Realized gains on investments	4,383	27,951	32,334
Unrealized losses on investments	(15,652)	(132,632)	(148,284)
Total investment return	14,826	(116,941)	(102,115)
Receipts on pledges receivable	-	(4,959)	(4,959)
Contributions	-	499,243	499,243
Appropriation of endowment assets for expenditure	(2,592)	-	(2,592)
Endowment net assets, end of year	$ 134,096	$ 1,266,890	$ 1,400,986

Interpretation of Relevant Law

The Organization has interpreted the State of New Hampshire Uniform Prudent Management of Institutional Funds Act (UPMIFA), such that the Board of Trustees is allowed to appropriate for expenditure for the uses and purposes for which the endowment fund is established, unless otherwise specified by the donor, so much of the net appreciation, realized and unrealized, in the fair value of the assets of the endowment fund over the historic dollar value of the fund as is prudent. In so doing, the Board must consider the long- and short-term needs of the Organization in carrying out its purpose, its present and anticipated financial requirements, expected total return on its investments, price level trends, and general economic conditions. The Board retains all of the appreciation in its permanently restricted net assets.

Strategies Employed for Achieving Objectives

In managing its diversified portfolio, the Organization measures the performance of its investment portfolio's components against the appropriate market benchmark. Thus, portions of the equity portfolio are measured against the S&P 500 Index, the Russell 1000 Index, the Morgan Stanley Capital International Europe, Australia, Far East (MSCI EAFE) Index, and the National Association of Real Estate Investment Trusts (NAREIT) Equity Index. Fixed Income components of the investment portfolio are measured against the Lehman Brothers Intermediate Government/ Corporate Bond Index or other appropriate market benchmarks. The Organization's goal is to have its portfolio components outperform the appropriate market benchmark over a five-year investment cycle.

6. Long-Term Debt

In May 1998, the Organization, in conjunction with the New Hampshire Higher Educational and Health Facilities Authority (the "Authority"), issued $15,000,000 of tax-exempt revenue bonds (Series 1998A) to finance the Organization's construction and renovation project, to make an advance payment on the outstanding balance of $4,025,000 of the Series 1990 bonds and to reimburse the Organization for capital expenditures made since August 1996. The Organization granted the Authority a security interest in gross receipts and certain monies held by the Bond Trustee and a mortgage lien on existing and future acquisitions of land, buildings and equipment. Approximately $4,500,000 in cash and bond obligations was transferred to a custodian and deposited into a special purpose qualified trust. The Series 1990 bonds were redeemed on May 1, 2008.

In October 1998, the Organization, in conjunction with the Authority, issued $11,900,000 of tax-exempt revenue bonds (Series 1998B) to finance the Organization's construction and renovation project, to fund a reserve fund as required by the Authority and to pay issuance costs on the Series. The Organization granted the Authority security interests identical to those of the Series 1998A.

On November 15, 2007, the Hospital advance refunded its Series 1998A and 1998B bonds and received approximately $8,710,000 to fund future capital needs through the issuance of a $30,000,000 Series 2007 bond in conjunction with the Business Finance Authority of the State of New Hampshire (BFA). As part of the transaction, the Hospital provided a cash contribution of approximately $3,900,000 and recognized a loss on an early extinguishment of debt of approximately $1,099,000. The Series 1998A and 1998B bonds were repaid at the first call date which was May 1, 2008 with bond proceeds that were held in escrow.

The Series 2007 bonds require the Organization to meet certain covenants. As of September 30, 2012 and 2011, the Organization was in compliance with these covenants.

The Organization's agreement with the BFA provides for the establishment of various funds, the use of which is generally restricted to the payment of construction and debt. These funds are administered by a trustee.

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

	2012	2011
Series 2007 variable rate bonds at 68% of the one-month LIBOR rate (.24 at September 30, 2012), payable in annual installments ranging from $600,000 in 2012 to $1,750,000 in 2038; collateralized by substantially all Hospital assets and gross receipts.	**$ 28,550,000**	$ 29,150,000
Capital lease, payable in 60 monthly principal payments of $28,175 with 0% interest; collateralized by asset purchased under capital lease.	**$ 1,605,982**	$ -
	30,155,982	29,150,000
Less current portion	**963,100**	600,000
Long-term debt, excluding current portion	**$ 29,192,882**	$ 28,550,000

Maturities on long-term debt for fiscal years subsequent to September 30, 2012, are as follows:

2013	$ 963,100
2014	993,100
2015	1,023,100
2016	1,043,100
2017	993,600
Thereafter	25,139,982
	$ 30,155,982

Interest on long-term debt, excluding letter of credit fees and capitalized interest was $564,001 and $653,881 for the years ended September 30, 2012 and 2011, respectively. Interest capitalized during 2012 was $72,500. No interest was capitalized in 2011.

Interest Rate Swap

In connection with the issuance of the 2007 bonds, the Hospital entered into an interest rate swap agreement to hedge the interest rate risk associated with the 2007 bonds. The swap initially had a notional amount of $30,000,000 which decreased to $18,000,000 or 60% of the outstanding bond balance upon the call date of the Series 1998A and 1998B bonds on May 1, 2008. The swap terminates on October 11, 2027. The interest rate swap agreement requires the Hospital to pay a fixed rate of 3.5625% in exchange for a variable rate of 68% of one-month LIBOR.

The Hospital is required to include the fair value of the swap in the balance sheets, and annual changes, if any, in the fair value of the swap in the statements of operations. For example, during the Bonds' 30-year holding period, the annually calculated value of the swap will be reported as an asset if interest rates increase above those in effect on the date the swap was entered into (and as an unrealized gain in the statements of operations), which will generally be indicative that the net fixed rate the Hospital is paying is below market expectations of rates during the remaining term of the swap. The swap will be reported as a liability (and as an unrealized loss in the statements of operations) if interest rates decrease below those in effect on the date the swap was entered into, which will generally be indicative that the net fixed rate the Hospital is paying on the swap is above market expectations of rates during the remaining term of the swap. These annual accounting adjustments of value changes in the swap transaction are non-cash recognition requirements, the net effect of which is intended to be zero at the maturity date of the swap agreement. The Hospital retains the sole right to terminate the swap agreements should the need arise. The Hospital recorded the swap at its liability position of $4,091,936 and $3,869,352 at September 30, 2012 and 2011, respectively.

Letter of Credit

As part of the bond covenants, the Hospital is required to maintain a letter of credit. The fee for this letter of credit is .50% of the letter of credit commitment amount and can be adjusted annually depending on certain financial covenant ratios for the preceding fiscal year. The fees amounted to $144,631 and $147,267 in 2012 and 2011, respectively and are included in interest expense on the consolidated statements of operations. The letter of credit expires on September 30, 2017 and has extension provisions. At September 30, 2012, the Hospital was in compliance with all covenants related to the letter of credit.

7. Retirement Plans

The Organization sponsors a 403(b) retirement plan for its employees. To be eligible to participate in the 403(b) plan, an employee must meet certain requirements as specified in the Plan documents. The Organization contributes 3% of each eligible participant's base salary and then matches up to an additional 2% of base salary subject to the participant's contribution level.

The amount charged to expense for the 403(b) plan totaled $1,091,418 and $1,082,151 for 2012 and 2011, respectively.

In addition, the Hospital adopted a 457(b) deferred compensation plan effective January 1, 2004 for certain employees. An asset and a liability of $777,904 and $661,382 have been recorded related to this plan for 2012 and 2011, respectively.

8. Commitments and Contingencies

Professional Liability Insurance

The Organization maintains medical malpractice insurance coverage on a claims-made basis. The Organization is subject to complaints, claims, and litigation due to potential claims which arise in the normal course of business. GAAP requires the Organization to accrue the ultimate cost of malpractice claims when the incident that gives rise to claim occurs, without consideration of insurance recoveries. Expected recoveries are presented as a separate asset. The Organization has evaluated its exposure to losses arising from potential claims and determine that no such accrual is necessary for the year ended September 30, 2012. The Hospital had recorded a liability of $616,754 for the year ended September 30, 2011 and reversed the accrual in 2012. The Organization intends to renew coverage on a claims made basis and anticipates that such coverage will be available in future periods.

Self-Funded Health Insurance

The Organization sponsors a health insurance plan for its employees. The plan is primarily self-insured, however, the Organization maintains a reinsurance policy for coverage of annual claims in excess of certain thresholds. At September 30, 2012 and 2011. the Organization has accrued estimated losses on incurred but not reported claims of approximately $744,000 and $1,015,000, respectively.

Operating Leases

The Organization as lessee has various non-cancelable leases for office space, all of which are classified as operating leases. Lease expense was $225,441 and $345,445 for the years ended September 30, 2012 and 2011, respectively. Future minimum lease payments are as follows for the year ending September 30:

2013	$ 232,204
2014	21,850
2015	22,506
2016	21,181
2017	23,876
Total future minimum lease payments	$ 321,617

Professional Services Agreement

The Hospital entered into a professional services, medical direction and management agreement (Agreement) with The Alpine Clinic, LLC (Alpine) in March 2012. Alpine is a private physician practice group with clinical sites in three towns in northern New Hampshire providing orthopedic care, clinical services and related physical therapy, radiology and magnetic resonance imaging services to patients in this region. The initial term of the Agreement will be in effect for a period of three years. There are provisions under the Agreement for early termination subject to agreement between the two parties.

Under the terms of the Agreement the Hospital has agreed to sub-lease Alpine's offices, furniture and equipment. The Hospital has agreed to engage Alpine to provide the professional orthopedic and physical therapy services through the physicians, nurse practitioners, physician assistants, licensed physical therapists employed by Alpine. Alpine has agreed to engage the radiology and magnetic resonance imaging technicians employed by the Hospital to provide the technical services in connection with imaging services to Hospital patients at the Alpine offices. The Hospital has also agreed to engage Alpine to provide the services of all administrative and support staff as is necessary and desirable for the effective and efficient delivery of the orthopedic, physical therapy and imaging services.

Alpine has agreed that its sole compensation under this Agreement will be the fees set forth in the Agreement and that all payments from patients, third party payers or otherwise for Alpine professional services furnished by the providers to Hospital patients will belong to the Hospital. The fees under the Agreement include an annual base fee, to be paid monthly, and a productivity fee which is to be paid within 30 days following the end of each year of the Agreement. The methodology used to calculate the base fee and productivity fee is specifically defined in the Agreement.

The fees paid to Alpine during the year ended September 30, 2012 were $2,888,440 of which $368,657 is included in prepaid expenses and other current asset at September 30, 2012.

Capital Lease Maintenance Agreement

During 2012, the Organization entered into a capitalized lease to finance the purchase of a new MRI scanner. The capital lease calls for monthly payments of $36,617 of which $28,175 is applied toward principal payments on the lease and $8,442 is for maintenance of the equipment. Total maintenance expense related to the capital lease in 2012 was $25,327. The maintenance fee commitment expires at the conclusion of the lease agreement which is June 2017.

9. Physician Practices

During 2012 and 2011, the Organization operated several physician practices. As of September 30, 2012 and 2011, the Organization recognized net practice operations as follows:

	2012	2011
Net practice revenue	$ 9,977,960	$ 8,153,227
Direct expenses	13,363,017	10,411,125
Net loss (not including indirect expenses)	$ (3,385,057)	$ (2,257,898)

10. Temporarily and Permanently Restricted Net Assets

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

	2012	2011
Construction fund	$ 3,802	$ 3,376
Indigent care	85,361	73,570
Health education	7,121	4,519
Pastoral care	6,779	5,791
Veterans transportation	1,340	1,170
Volunteer services	26,249	11,760
Other health related services	154,658	128,684
	$ 285,310	$ 228,870

Permanently restricted net assets are restricted to the following at September 30:

	2012	2011
Investments and pledges receivable to be held in perpetuity, the income from which is expendable to support health care services	$ 1,478,785	$ 1,334,648

11. Functional Expenses

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

	2012	2011
Health care services	$ 58,403,478	$ 53,617,651
General and administrative	12,205,926	11,574,530
	$ 70,609,404	$ 65,192,181

12. Concentration of Credit Risk

Patient Accounts Receivable

The Organization grants credit without collateral to its patients, most of whom are local residents and insured under third-party payor agreements. The mix of receivables for patients and third-party payors at September 30, 2012 and 2011, was as follows:

	2012	2011
Medicare	24 %	24 %
Medicaid	11	14
Blue Cross	16	16
Other third-party payors	25	22
Patient	24	24
	100 %	100 %

Investments

A significant concentration of investments or $2,455,126 and $2,449,847 is invested in the Hatteras Multi-Strategy TEI Institutional Fund, LP at September 30, 2012 and 2011, respectively.

13. Fair Value Measurements

ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect an entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

Assets and liabilities measured at fair value on a recurring basis are summarized below.

	Fair Value Measurements at September 30, 2012			
	Total	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Cash and cash equivalents	$ 4,813,104	$ 4,813,104	$ -	$ -
Fixed income				
Certificates of deposit	25,134	25,134	-	-
U S Treasury obligations and government securities	1,881,398	1,881,398	-	-
Corporate bonds	3,323,178	-	3,323,178	-
Total fixed income	5,229,710	1,906,532	3,323,178	-
Marketable equity securities				
Consumer discretionary	955,829	955,829	-	-
Consumer staples	585,890	585,890	-	-
Energy	1,370,835	1,370,835	-	-
Financials	2,404,434	2,404,434	-	-
Healthcare	525,370	525,370	-	-
Industrials	727,816	727,816	-	-
Information technology	1,141,617	1,141,617	-	-
Materials	827,063	827,063	-	-
Telecommunication services	236,404	236,404	-	-
Utilities	219,880	219,880	-	-
Unclassified	472,658	472,658	-	-
Total marketable equity securities	9,467,796	9,467,796	-	-
Mutual funds				
Index funds	62,365	62,365	-	-
Bond funds	443,748	443,748	-	-
Growth funds	713,007	713,007	-	-
International funds	241,129	241,129	-	-
Total mutual funds	1,460,249	1,460,249	-	-
Other investments				
Hatteras Multi-Strategy TEI Institutional Fund, LP	2,455,126	-	-	2,455,126
CFI Multi-Strategy Equity Fund, LLC	1,124,717	-	1,124,717	-
Fixed annuity contract	174,354	-	174,354	-
Total other investments	3,754,197	-	1,299,071	2,455,126
Total assets	$ 24,725,056	$ 17,647,681	$ 4,622,249	$ 2,455,126
Liabilities:				
Interest rate swap	$ 4,091,936	$ -	$ 4,091,936	$ -
Total liabilities	$ 4,091,936	$ -	$ 4,091,936	$ -

	Fair Value Measurements at September 30, 2011			
	Total	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Cash and cash equivalents	$ 1,464,081	$ 1,464,081	$ -	$ -
Fixed income				
Certificates of deposit	30,000	30,000	-	-
U.S. Treasury obligations and government securities	1,798,617	1,798,617	-	-
Corporate bonds	2,879,073	-	2,879,073	-
Total fixed income	4,707,690	1,828,617	2,879,073	-
Marketable equity securities				
Consumer discretionary	827,412	827,412	-	-
Consumer staples	563,831	563,831	-	-
Energy	1,186,788	1,186,788	-	-
Financials	1,763,974	1,763,974	-	-
Healthcare	528,776	528,776	-	-
Industrials	497,267	497,267	-	-
Information technology	829,532	829,532	-	-
Materials	744,957	744,957	-	-
Telecommunication services	267,245	267,245	-	-
Utilities	185,007	185,007	-	-
Unclassified	401,576	401,576	-	-
Total marketable equity securities	7,796,365	7,796,365	-	-
Mutual funds				
Index funds	56,784	56,784	-	-
Bond funds	283,800	283,800	-	-
Growth funds	743,008	743,008	-	-
International funds	147,111	147,111	-	-
Total mutual funds	1,230,703	1,230,703	-	-
Other investments				
Hatteras Multi-Strategy TEI Institutional Fund, LP	2,449,847	-	-	2,449,847
CFI Multi-Strategy Equity Fund, LLC	916,981	-	916,981	-
Fixed annuity contracts	151,408	-	151,408	-
Total other investments	3,518,236	-	1,068,389	2,449,847
Total assets	$ 18,717,075	$ 12,319,766	$ 3,947,462	$ 2,449,847
Liabilities:				
Interest rate swap	$ 3,869,352	$ -	$ 3,869,352	$ -
Total liabilities	$ 3,869,352	$ -	$ 3,869,352	$ -

The fair value of corporate bonds are based on quoted market prices and/or other market data for the same or comparable instruments and transactions in establishing the prices and are therefore classified as Level 2 investments.

Fixed annuity contracts are held at cost until redeemed at a guaranteed 3% return and are therefore classified as Level 2.

Inputs other than quoted prices that are observable are used to value the interest rate swap. The Organization considers these inputs to be Level 2.

The fair value of the Level 2 and Level 3 limited partnerships are based on the net asset value per share of the respective funds representing the fair value of the underlying investments which are generally securities which are traded on an active market. Such investments are classified as Level 2 or 3 based on the Organization's ability to redeem its investment in the fund at the net asset value per share at the measurement date or within the near term and there are no other potential liquidity restrictions.

The Organization is required to give a 5-day prior notification to withdraw all or a portion of its investment in the CFI Multi-Strategy Equity Fund, LLC (CFI Fund). There is a 10% holdback until monthly pricing is performed on the 6th business day of the following month. The CFI Fund is included in other Investments and is classified as a Level 2 in the table above.

The Organization will be subject to a 5% redemption fee should it withdraw funds from the Hatteras Multi-Strategy TEI Institutional Fund, LP (Hatteras Fund) fund prior to July 1, 2012. After July 1, 2012 there is no redemption fee and quarterly withdrawals are allowed. The Hatteras Fund balance is included in other investments and is classified as Level 3 in the table above.

The following is a reconciliation of activity for assets measured at fair value on a recurring basis in which significant unobservable inputs (Level 3) were used in determining fair value:

	2012	2011
Balance at beginning of year	**$ 2,449,847**	$ -
Addition	-	2,500,000
Net change in unrealized depreciation	**5,279**	(153)
Balance at end of year	**$ 2,455,126**	$ 2,499,847

14. Medicaid Enhancement Tax

In New Hampshire hospitals are subject to a 5.5% tax, the Medicaid Enhancement Tax (MET) on net taxable revenues. During 2011 the Hospital filed requests for refunds with respect to the MET they paid for taxable years ending on June 30, 2008, through June 30, 2011 for a total of approximately $3,013,900 based on the Hospital's understanding at the time of certain items which should have been excluded from the original net taxable revenues. During 2012 the New Hampshire Department of Revenue Administration denied the requests for all of the years and audited the Hospital's MET returns for those years. The Hospital has filed a petition for reconsideration.

15. Meaningful Use Revenues

The Medicare and Medicaid electronic health record (EHR) incentive programs provide a financial incentive for achieving "meaningful use" of certified EHR technology. The criteria for meaningful use will be staged in three steps from fiscal year 2012 through 2016. During 2012, the Hospital attested to Stage 1 meaningful use certification from CMS and recorded meaningful use revenues of $278,241 which is outstanding at September 30, 2012 and is included as receivable in due to third-party payors in the 2012 consolidated balance sheets. The meaningful use attestation is subject to audit by CMS in future years. As part of this process, a final settlement amount for the incentive payments could be established that differs from the initial calculation, and could result in return of a portion or all of the incentive payments received by the Hospital.

The Medicaid program will provide incentive payments to hospitals and eligible professionals as they adopt, implement, upgrade or demonstrate meaningful use in the first year of participation and demonstrate meaningful use for up to two remaining participation years. The New Hampshire program was launched in 2012. During 2012, the Hospital recorded meaningful use revenues of $416,581 from the Medicaid EHR program which is outstanding at September 30, 2012, is included as a receivable in due to third-party payors at September 30, 2012.

In 2012 the Hospital recognized $18,000 of Medicaid EHR program revenues for it's eligible physicians and received approximately $54,000 subsequent to September 30, 2012.

SUPPLEMENTARY INFORMATION

Schedule 1

LITTLETON REGIONAL HEALTHCARE AND SUBSIDIARY

Consolidating Balance Sheets

September 30, 2012

ASSETS

	Hospital	Foundation	Eliminations	2012 Consolidated
Current assets				
Cash and cash equivalents	$ 3,996,511	$ 89,094	$ -	$ 4,085,605
Patient accounts receivable, net	9,385,246	-	-	9,385,246
Supplies	1,485,073	-	-	1,485,073
Prepaid expenses and other current assets	1,526,204	56,441	(122,296)	1,460,349
Assets limited as to use, current portion	572,945	-	-	572,945
Total current assets	16,965,979	145,535	(122,296)	16,989,218
Assets limited as to use, less current portion	23,119,480	1,032,631	-	24,152,111
Property and equipment, net	45,116,903	-	-	45,116,903
Deferred financing costs, net	147,050	-	-	147,050
Total assets	$ 85,349,412	$ 1,178,166	$ (122,296)	$ 86,405,282

LITTLETON REGIONAL HEALTHCARE AND SUBSIDIARY

Consolidating Balance Sheets

September 30, 2012

LIABILITIES AND NET ASSETS

	Hospital	Foundation	Eliminations	2012 Consolidated
Current liabilities				
Current portion of long-term debt	$ 963,100	$ -	$ -	$ 963,100
Accounts payable and other accrued expenses	3,311,826	122,296	(122,296)	3,311,826
Accrued salaries, wages and related accounts	2,061,462	-	-	2,061,462
Other current liabilities	593,490	5,360	-	598,850
Due to third-party payors	5,164,209	-	-	5,164,209
Reserve for self-funded health insurance	744,000	-	-	744,000
Total current liabilities	12,838,087	127,656	(122,296)	12,843,447
Deferred compensation	777,904	-	-	777,904
Long-term debt, less current portion	29,192,882	-	-	29,192,882
Interest rate swap	4,091,936	-	-	4,091,936
Total liabilities	46,900,809	127,656	(122,296)	46,906,169
Net assets				
Unrestricted	37,642,591	92,427	-	37,735,018
Temporarily restricted	145,619	139,691	-	285,310
Permanently restricted	660,393	818,392	-	1,478,785
Total net assets	38,448,603	1,050,510	-	39,499,113
Total liabilities and net assets	$ 85,349,412	$ 1,178,166	$ (122,296)	$ 86,405,282

LITTLETON REGIONAL HEALTHCARE AND SUBSIDIARY

Consolidating Balance Sheets

September 30, 2011

ASSETS

	Hospital	Foundation	Eliminations	2011 Consolidated
Current assets				
Cash and cash equivalents	$ 9,194,421	$ 108,359	$ -	$ 9,302,780
Patient accounts receivable, net	7,871,050	-	-	7,871,050
Supplies	1,264,831	-	-	1,264,831
Prepaid expenses and other current assets	1,201,725	60,441	(102,510)	1,159,656
Assets limited as to use, current portion	553,875	-	-	553,875
Total current assets	20,085,902	168,800	(102,510)	20,152,192
Assets limited as to use, less current portion	17,261,281	901,919	-	18,163,200
Property and equipment, net	42,025,104	-	-	42,025,104
Deferred financing costs, net	163,436	-	-	163,436
Total assets	$79,535,723	$ 1,070,719	$ (102,510)	$ 80,503,932

LITTLETON REGIONAL HEALTHCARE AND SUBSIDIARY

Consolidating Balance Sheets

September 30, 2011

LIABILITIES AND NET ASSETS

	Hospital	Foundation	Eliminations	2011 Consolidated
Current liabilities				
Current portion of long-term debt	600,000	-	-	600,000
Accounts payable and other accrued expenses	$ 3,442,730	$ 102,510	$ (102,510)	$ 3,442,730
Accrued salaries, wages and related accounts	2,363,132	-	-	2,363,132
Other current liabilities	551,071	5,360	-	556,431
Due to third-party payors	2,945,673	-	-	2,945,673
Reserve for self-funded health insurance	1,015,000	-	-	1,015,000
Total current liabilities	10,917,606	107,870	(102,510)	10,922,966
Deferred compensation	661,382	-	-	661,382
Long-term debt, less current portion	28,550,000	-	-	28,550,000
Interest rate swap	3,869,352	-	-	3,869,352
Total liabilities	43,998,340	107,870	(102,510)	44,003,700
Net assets				
Unrestricted	34,807,491	129,223	-	34,936,714
Temporarily restricted	126,032	102,838	-	228,870
Permanently restricted	603,860	730,788	-	1,334,648
Total net assets	35,537,383	962,849	-	36,500,232
Total liabilities and net assets	$79,535,723	$ 1,070,719	$ (102,510)	$ 80,503,932

Schedule 2

LITTLETON REGIONAL HEALTHCARE AND SUBSIDIARY

Consolidating Statements of Operations

Year Ended September 30, 2012

	Hospital	Foundation	Reclassifications and Eliminations	2012 Consolidated
Unrestricted revenues, gains (losses) and other support				
Patient service revenue (net of contractuals and discounts)	$ 75,077,218	$ -	$ -	$ 75,077,218
Less provision for bad debts	5,934,669	-	-	5,934,669
Net patient service revenue	69,142,549	-	-	69,142,549
Other operating revenues	1,644,493	93,238	(93,238)	1,644,493
Meaningful use incentive revenue	712,822	-	-	712,822
Loss on sale of property and equipment	(43,705)	-	-	(43,705)
	50,565	-	(50,565)	-
Net assets released from restrictions used in operations	2,420	58,948	-	61,368
Total unrestricted revenues, gains (losses) and other support	71,509,144	152,186	(143,803)	71,517,527
Expenses				
Salaries and wages	28,475,825	43,582	-	28,519,407
Employee benefits	6,875,839	12,376	-	6,888,215
Supplies and other	25,125,975	133,024	(52,591)	25,206,408
Medicaid Enhancement Tax	3,912,471		-	3,912,471
Depreciation and amortization	5,374,271	-	-	5,374,271
Interest	708,632	-	-	708,632
Total expenses	70,473,013	188,982	(52,591)	70,609,404
Operating income (loss)	1,036,131	(36,796)	(91,212)	908,123
Nonoperating gains (losses)				
Income from investments	393,950	-	8,653	402,603
Unrestricted gifts	981	-	13,798	14,779
Foundation subsidy	(55,959)	-	55,959	-
Net realized and unrealized gains on investments	1,841,418	-	14,828	1,856,246
Community benefit expense	(14,025)	-	-	(14,025)
Investment management fees	(144,812)	-	(2,026)	(146,838)
Unrealized loss on interest rate swap	(222,584)	-	-	(222,584)
Nonoperating gains (losses), net	1,798,969	-	91,212	1,890,181
Excess revenues over (under) expenses and increase (decrease) in unrestricted net assets	$ 2,835,100	$ (36,796)	$ -	$ 2,798,304

LITTLETON REGIONAL HEALTHCARE AND SUBSIDIARY

Consolidating Statements of Operations

Year Ended September 30, 2011

	Hospital	Foundation	Reclassifications and Eliminations	2011 Consolidated
Unrestricted revenues, gains (losses) and other support				
Patient service revenue (net of contractuals and discounts)	$ 70,727,853	$ -	$ -	$ 70,727,853
Less provision for bad debts	4,076,025	-	-	4,076,025
Net patient service revenue	66,651,828	-	-	66,651,828
Other operating revenues	1,425,560	65,533	(65,533)	1,425,560
Loss on sale of property and equipment	(25,796)	-	-	(25,796)
	49,856	-	(49,856)	-
Net assets released from restrictions used in operations	42,906	60,316	-	103,222
Total unrestricted revenues, gains (losses) and other support	68,144,354	125,849	(115,389)	68,154,814
Expenses				
Salaries and wages	27,740,602	32,436	-	27,773,038
Employee benefits	7,174,135	9,082	-	7,183,217
Supplies and other	22,546,247	103,299	(51,055)	22,598,491
Medicaid Enhancement Tax	2,910,852	-	-	2,910,852
Depreciation and amortization	3,923,513	1,922	-	3,925,435
Interest	801,148	-	-	801,148
Total expenses	65,096,497	146,739	(51,055)	65,192,181
Operating income (loss)	3,047,857	(20,890)	(64,334)	2,962,633
Nonoperating gains (losses)				
Income from investments	464,361	-	11,251	475,612
Unrestricted gifts	2,481	-	16,079	18,560
Foundation subsidy	(41,518)	-	41,518	-
Net realized and unrealized losses on investments	(1,187,669)	-	812	(1,186,857)
Community benefit expense	(427,955)	-	(4,127)	(432,082)
Investment management fees	(154,421)	-	(1,199)	(155,620)
Unrealized loss on interest rate swap	(603,661)	-	-	(603,661)
Nonoperating gains (losses), net	(1,948,382)	-	64,334	(1,884,048)
Excess revenues over (under) expenses and increase (decrease) in unrestricted net assets	$ 1,099,475	$ (20,890)	$ -	$ 1,078,585

Schedule 3

LITTLETON REGIONAL HEALTHCARE AND SUBSIDIARY

Consolidating Statements of Changes in Net Assets

Year Ended September 30, 2012

	Hospital	Foundation	2012 Consolidated
Unrestricted net assets			
Excess revenues over (under) expenses and change in unrestricted net assets	$ 2,835,100	$ (36,796)	$ 2,798,304
Temporarily restricted net assets			
Contributions	-	63,983	63,983
Net realized and unrealized gains on investments	13,084	16,984	30,068
Investment income, net	8,923	14,834	23,757
Net assets released from restriction for operations	(2,420)	(58,948)	(61,368)
Change in temporarily restricted net assets	19,587	36,853	56,440
Permanently restricted net assets			
Contributions	-	9,820	9,820
Net realized and unrealized gains on investments	61,905	89,474	151,379
Investment management fees	(5,372)	(11,690)	(17,062)
Change in permanently restricted net assets	56,533	87,604	144,137
Increase in net assets	2,911,220	87,661	2,998,881
Net assets, beginning of year	35,537,383	962,849	36,500,232
Net assets, end of year	$ 38,448,603	$ 1,050,510	$ 39,499,113

LITTLETON REGIONAL HEALTHCARE AND SUBSIDIARY

Consolidating Statements of Changes in Net Assets

Year Ended September 30, 2011

	Hospital	Foundation	2011 Consolidated
Unrestricted net assets			
Excess revenues over (under) expenses and change in unrestricted net assets	$ 1,099,475	$ (20,890)	$ 1,078,585
Temporarily restricted net assets			
Contributions	-	70,614	70,614
Net realized and unrealized losses on investments	(9,800)	(15,396)	(25,196)
Investment income, net	10,678	18,027	28,705
Net assets released from restriction for operations	(42,906)	(60,316)	(103,222)
Change in temporarily restricted net assets	(42,028)	12,929	(29,099)
Permanently restricted net assets			
Contributions	-	499,243	499,243
Net realized and unrealized losses on investments	(43,623)	(61,058)	(104,681)
Investment management fees	(6,147)	(6,113)	(12,260)
Change in permanently restricted net assets	(49,770)	432,072	382,302
Increase in net assets	1,007,677	424,111	1,431,788
Net assets, beginning of year	34,529,706	538,738	35,068,444
Net assets, end of year	$ 35,537,383	$ 962,849	$ 36,500,232

State of New Hampshire
Department of State

CERTIFICATE OF REGISTERED TRADE NAME

OF

Littleton Regional Healthcare

This is to certify that LITTLETON HOSPITAL ASSOCIATION registered in this office as doing business under the Trade Name Littleton Regional Healthcare, at 600 St Johnsbury Rd Littleton, NH 03561 on May 18, 2012.

The nature of business is Provision of hospital and related health care services.

Expiration Date: May 18, 2017

Business ID#: 671130

IN TESTIMONY WHEREOF, I hereto set my hand and cause to be affixed the Seal of the State of New Hampshire, this 18th day of May, 2012 A.D.

William M. Gardner
Secretary of State

State of New Hampshire

Filed
Date Filed: 05/18/2012
Business ID: 671130
William M. Gardner
Secretary of State

Filing fee: $50.00
Use black print or type.

Form TN-1
RSA 349

APPLICATION FOR REGISTRATION OF TRADE NAME

(PLEASE TYPE OR PRINT CLEARLY)

1. BUSINESS NAME: Littleton Regional Healthcare
(Name cannot include "INC." or other corporate designation)

2. BUSINESS ADDRESS: 600 St. Johnsbury Road, Littleton, NH 03581
No. & Street | City / town | State | Zip

MAILING ADDRESS (if different): _____
No. & Street | City / town | State | Zip

3. BRIEF DESCRIPTION OF KIND OF BUSINESS TO BE CARRIED ON: Provision of hospital and related health care services

4. DATE BUSINESS ORGANIZED: 05/15/2012
(month / day / year)

5-A. ENTITY APPLICANT: IF THE APPLICANT IS A CORPORATION OR OTHER ENTITY, LIST CORPORATION'S OR ENTITY'S EXACT NAME AND INCLUDE TITLE OF PERSON SIGNING. If more space is needed for additional entity applicants, please attach additional sheet(s).

Littleton Hospital Association
TYPE OR PRINT ENTITY NAME

AUTHORIZED SIGNATURE

Warren West, Chief Executive Officer
TYPE OR PRINT SIGNER'S NAME AND TITLE

600 St. Johnsbury Road
NO. STREET

Littleton, NH 03561
TOWN/CITY | STATE | ZIP

5-B. INDIVIDUAL APPLICANTS: PLEASE TYPE OR PRINT APPLICANTS' NAME(S), ADDRESS(ES) AND INCLUDE SIGNATURE. If more space is needed for additional individual applicants, please attach additional sheet(s).

1. _____
TYPE OR PRINT NAME

SIGNATURE

NO. STREET

TOWN/CITY | STATE | ZIP

2. _____
TYPE OR PRINT NAME

SIGNATURE

NO. STREET

TOWN/CITY | STATE | ZIP

3. _____
TYPE OR PRINT NAME

SIGNATURE

NO. STREET

TOWN/CITY | STATE | ZIP

DISCLAIMER: All documents filed with the Corporate Division become public records and will be available for public inspection in either tangible or electronic form.

Mail fee and DATED AND SIGNED ORIGINAL to: Corporate Division, Department of State, 107 North Main Street, Concord, NH 03301-4989.

State of New Hampshire
Form TN 1 - Application for Registration of Trade Name 1 Page(s)

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