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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 private foundations)

▶ Do not enter Social Security numbers on this form as it may be made public By law, the IRS generally cannot redact the information on the form

▶ Information about Form 990 and its instructions is at www.IRS.gov/form990

OMB No 1545-0047

2013

Open to Public Inspection

A For the 2013 calendar year, or tax year beginning 10-01-2013 , 2013, and ending 09-30-2014

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

C Name of organization
Littleton Hospital Association

Doing Business As
Littleton Regional Healthcare

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

City or town, state or province, country, and ZIP or foreign postal code
Littleton, NH 03561

D Employer identification number
02-0222152

E Telephone number
(603)444-9000

G Gross receipts $ 89,230,369

F Name and address of principal officer
Nick Braccino
600 St Johnsbury Road
Littleton, NH 03561

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

H(b) Are all subordinates 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

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

Activities & Governance

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	16
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	14
5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	**5**	531
6	Total number of volunteers (estimate if necessary)	**6**	254
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	839
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	-369

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	122,101	51,695
9	Program service revenue (Part VIII, line 2g)	80,091,833	84,873,335
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	1,383,355	294,248
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)	81,597,289	85,219,278
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	103,734	201,406
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)	42,507,068	46,449,522
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)	35,218,794	36,625,030
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	77,829,596	83,275,958
19	Revenue less expenses Subtract line 18 from line 12	3,767,693	1,943,320

Revenue

Expenses

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	95,068,821	96,738,504
21	Total liabilities (Part X, line 26)	50,423,017	48,296,165
22	Net assets or fund balances Subtract line 21 from line 20	44,645,804	48,442,339

Net Assets or Fund Balances

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

****** | 2015-04-30
Signature of officer | Date

Nick Braccino CFO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Barbara J McGuan CPA		2015-04-30		P00219457

Firm's name ▶ Berry Dunn McNeil & Parker LLC | Firm's EIN ▶ 01-0523282

Firm's address ▶ PO Box 1100
Portland, ME 041041100 | Phone no (207) 775-2387

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

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III . . . . . ☑

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 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

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

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

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

If "Yes," describe these changes on Schedule O

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses Section 501(c)(3) and 501(c)(4) organizations 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 $ 66,726,037 including grants of $ 201,406) (Revenue $ 84,873,335)

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** ▶ 66,726,037

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4	Yes	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21 for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	Yes	
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI.*	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b		No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d		No
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f		No
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	12a		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional*	12b	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Parts I and IV*	14b	Yes	
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or other assistance to or for any foreign organization? *If "Yes," complete Schedule F, Parts II and IV*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or other assistance to or for foreign individuals? *If "Yes," complete Schedule F, Parts III and IV*	16		No
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I (see instructions)*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	20a	Yes	
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	Yes	

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	**21**	Yes	
22	Did the organization report more than $5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**		No
23	Did the organization answer "Yes" to Part VII, Section A, 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**	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a*	**24a**	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	**24c**		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		No
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? *If so, complete Schedule L, Part II*	**26**		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or 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**		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	**28c**		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	**34**	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	**35a**	Yes	
b	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	**35b**		No
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V . . . . . ☐

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable . .	1a	127		
b	Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c		Yes	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	531		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	2b		Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year? . . .	3a			No
b	If "Yes," has it filed a Form 990-T for this year? *If "No" to line 3b, provide an explanation in Schedule O* . . .	3b			
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a			No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .	5a			No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c			
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? . . .	6a			No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	7a			No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .	7f			No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h			
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8			
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?	9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O	13a			
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a			No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .	14b			

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

Check if Schedule O contains a response or note to any line in this Part VI . . . . . ☑

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a	16		
	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				
b	Enter the number of voting members included in line 1a, above, who are independent	1b	14		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2			No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .	3			No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4			No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .	5			No
6	Did the organization have members or stockholders?	6		Yes	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a		Yes	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b			No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?	8a		Yes	
b	Each committee with authority to act on behalf of the governing body?	8b		Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	9			No

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

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

Section C. Disclosure

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

18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection Indicate how you made these available Check all that apply

☐ Own website ☐ Another's website ☑ Upon request ☐ Other (explain in Schedule O)

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 600 St Johnsbury Rd
Littleton, NH 03561 (603) 444-9000

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

Check if Schedule O contains a response or note to any line 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, or highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(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/Treasurer	1 00 1 00	X		X				0	0	0
(2) Milton Bratz Trustee	1 00	X						0	0	0
(3) Mell Brooks Secretary	1 00	X		X				0	0	0
(4) Wayne Rioux Trustee	1 00 1 00	X						0	0	0
(5) John Starr Trustee	1 00 1 00	X						0	0	0
(6) Stevan Trooboff Chairman	1 00 1 00	X		X				0	0	0
(7) Deane Rankin MD Trustee/Physician	40 00	X						439,008	0	47,392
(8) Roger Gingue Trustee	1 00	X						0	0	0
(9) James Hamblin Trustee	1 00	X						0	0	0
(10) Everett Aldrich Auxiliary President	1 00	X						0	0	0
(11) Gary Meader Trustee	1 00	X						0	0	0
(12) Gail Tomlinson Trustee	1 00	X						0	0	0
(13) Kim Butler Trustee	1 00	X						0	0	0
(14) Dr Andrew Forrest Chief of Staff	40 00	X						328,216	0	29,047
(15) Jeff Woodward Trustee	1 00	X						0	0	0
(16) Erin Hennessey Trustee	1 00	X						0	0	0
(17) Dr Stephen Phipps Past President, Medical Staff	1 00	X						12,000	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 (list any hours for related organizations below dotted line)	(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) George Brodeur Past Trustee	1 00	X						0	0	0
(19) Dr David Nelson Past Trustee	1 00	X						0	0	0
(20) Warren West CEO	40 00 1 00			X				363,240	0	25,393
(21) Nick Braccino CFO	40 00 1 00			X				211,871	0	12,144
(22) Linda Gilmore CAO/CNO	40 00				X			207,794	0	43,588
(23) Dr Harlan Herr Physician	40 00					X		517,488	0	12,750
(24) Dr Richard Caesar Physician	40 00					X		477,888	0	42,617
(25) Dr Patrick Fitzpatrick Physician	40 00					X		593,376	0	53,691
(26) Dr Leon Kogan Physician	40 00					X		487,107	0	7,299
(27) Dr Russel Sarver Physician	40 00					X		424,961	0	36,662

1b	**Sub-Total**			
c	**Total from continuation sheets to Part VII, Section A**			
d	**Total (add lines 1b and 1c)**	4,062,949	0	310,583

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 ▶ 61

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

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization Report compensation for the calendar year ending with or within the organization's tax year

(A) Name and business address	(B) Description of services	(C) Compensation
The Alpine Clinic PLLC 1095 Profile Rd Franconia NH 03580	Professional Services Agreement	4,577,558
Daniel Hebert Inc 12 Pleasant St Colebrook NH 03576	General Contractor	3,772,938
Quorum Health Resources Inc 105 Continental Place Brentwood TN 37027	Consulting Services	420,619
Griffin York & Krause 121 River Front Drive Manchester NH 03102	Advertising Consultant	363,375
C&A Industries PO Box 3037 Omaha NE 68103	Non-provider staffing	331,847

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 ▶ 13

Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII . . . . . ☐

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns . .	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations . . .	1d	39,603			
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	12,092			
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f . . . . . ▶		51,695			
Program Service Revenue			Business Code				
	2a	Patient Service Revenue	900099	141,507,288	141,507,288		
	b	Meaningful Use Incentive Revenues	900099	740,794	740,794		
	c	Contract Lab	621500	148,253	147,414	839	
	d	Provision for Bad Debts	900099	-4,642,068	-4,642,068		
	e	Contractual Allowances	900099	-55,308,588	-55,308,588		
	f	All other program service revenue		2,427,656	2,427,656		
	g	**Total.** Add lines 2a–2f . . . . . ▶		84,873,335			
	3	Investment income (including dividends, interest, and other similar amounts) . . . . . ▶		420,309			420,309
	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	3,885,030				
	b	Less cost or other basis and sales expenses	3,990,259	20,832			
	c	Gain or (loss)	-105,229	-20,832			
	d	Net gain or (loss) . . . . . ▶			-126,061			-126,061
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 . . a					
	b	Less direct expenses . . . b					
	c	Net income or (loss) from fundraising events . . ▶					
	9a	Gross income from gaming activities See Part IV, line 19 . . . a					
	b	Less direct expenses . . . b					
	c	Net income or (loss) from gaming activities . . . ▶					
	10a	Gross sales of inventory, less returns and allowances . a					
	b	Less cost of goods sold . . b					
	c	Net income or (loss) from sales of inventory . . ▶					
		Miscellaneous Revenue	Business Code				
	11a						
	b						
	c						
	d	All other revenue					
	e	**Total.** Add lines 11a–11d . . . . . ▶					
	12	**Total revenue.** See Instructions . . . . . ▶		85,219,278	84,872,496	839	294,248

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)

Check if Schedule O contains a response or note to any line 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	201,406	201,406		
2 Grants and other assistance to individuals in the United States See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	1,719,693	855,663	864,030	
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	33,095,554	28,897,352	4,198,202	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	1,053,933	918,571	135,362	
9 Other employee benefits	5,275,938	4,560,031	715,907	
10 Payroll taxes	5,304,404	4,542,039	762,365	
11 Fees for services (non-employees)				
a Management				
b Legal	143,120	3,635	139,485	
c Accounting	172,302	91,171	81,131	
d Lobbying				
e Professional fundraising services See Part IV, line 17				
f Investment management fees	119,306		119,306	
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	8,151,800	6,503,154	1,648,646	
12 Advertising and promotion	708,206	24,532	683,674	
13 Office expenses	11,319,296	10,726,127	593,169	
14 Information technology	367,330	6,976	360,354	
15 Royalties . .				
16 Occupancy	1,681,006	890,283	790,723	
17 Travel	342,489	265,265	77,224	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	101,945	33,250	68,695	
20 Interest	757,784	757,784		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	6,195,508	5,239,280	956,228	
23 Insurance	1,013,623	115,555	898,068	
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 Equipment Expenses	2,580,203	1,537,559	1,042,644	
b Miscellaneous Expenses	1,533,620	187,597	1,346,023	
c Collection Agency	1,000,284	119,937	880,347	
d Education & Training	437,208	248,870	188,338	
e All other expenses				
25 **Total functional expenses.** Add lines 1 through 24e	83,275,958	66,726,037	16,549,921	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

Check if Schedule O contains a response or note to any line in this Part X . . . . . ☐

				(A) Beginning of year		(B) End of year
Assets	1	Cash–non-interest-bearing		327,359	1	233,688
	2	Savings and temporary cash investments		8,482,968	2	8,902,413
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		8,619,960	4	8,663,835
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	6	Loans and other 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) Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net		2,563,866	7	1,703,212
	8	Inventories for sale or use		1,580,589	8	1,644,380
	9	Prepaid expenses and deferred charges		1,336,949	9	1,818,371
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 87,110,443			
	b	Less accumulated depreciation	10b 43,603,771	46,267,834	10c	43,506,672
	11	Investments—publicly traded securities		25,589,388	11	29,886,739
	12	Investments—other securities See Part IV, line 11			12	
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets		132,481	14	121,302
	15	Other assets See Part IV, line 11		167,427	15	257,892
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		95,068,821	16	96,738,504
Liabilities	17	Accounts payable and accrued expenses		6,654,710	17	6,171,435
	18	Grants payable			18	
	19	Deferred revenue		2,025,458	19	1,454,265
	20	Tax-exempt bond liabilities		27,925,000	20	27,270,000
	21	Escrow or custodial account liability Complete Part IV of Schedule D			21	
	22	Loans and other 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		4,289,282	23	3,730,750
	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		9,528,567	25	9,669,715
	26	**Total liabilities.** Add lines 17 through 25		50,423,017	26	48,296,165
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		43,762,042	27	47,488,526
	28	Temporarily restricted net assets		165,664	28	185,197
	29	Permanently restricted net assets		718,098	29	768,616
		Organizations that do not follow SFAS 117 (ASC 958), 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		44,645,804	33	48,442,339
	34	Total liabilities and net assets/fund balances		95,068,821	34	96,738,504

Part XI Reconcilliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI . . . . . ☑

1	Total revenue (must equal Part VIII, column (A), line 12)	1	85,219,278
2	Total expenses (must equal Part IX, column (A), line 25)	2	83,275,958
3	Revenue less expenses Subtract line 2 from line 1	3	1,943,320
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	44,645,804
5	Net unrealized gains (losses) on investments	5	1,977,764
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	-124,549
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	48,442,339

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII . . . . . ☐

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

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**
▶ **Information about Schedule A (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990*.**

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
Littleton Hospital Association

Employer identification number
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 - Non-functionally integrated

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? **11g(i)**		
(ii) A family member of a person described in (i) above? **11g(ii)**		
(iii) A 35% controlled entity of a person described in (i) or (ii) above? **11g(iii)**		

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

(i) Name of supported organization	**(ii)** EIN	**(iii)** Type of organization (described on lines 1- 9 above or IRC section **(see instructions))**	**(iv)** Is the organization in col **(i)** listed in your governing document?		**(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 monetary 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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 **Total support** (Add lines 7 through 10)						

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

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

Section C. Computation of Public Support Percentage

14 Public support percentage for 2013 (line 6, column (f) divided by line 11, column (f)) **14**

15 Public support percentage for 2012 Schedule A, Part II, line 14 **15**

16a **33 1/3% support test—2013.** 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—2012.** 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—2013.** 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—2012.** 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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 **Total support.** (Add lines 9, 10c, 11, and 12)						

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

Section C. Computation of Public Support Percentage

15	Public support percentage for 2013 (line 8, column (f) divided by line 13, column (f))	15	
16	Public support percentage from 2012 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2013** (line 10c, column (f) divided by line 13, column (f))	17	
18	Investment income percentage from **2012** Schedule A, Part III, line 17	18	

19a **33 1/3% support tests—2013.** 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—2012.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

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

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

Facts And Circumstances Test		
Return Reference	Explanation	

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SCHEDULE C (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

▶ Complete if the organization is described below. ▶ Attach to Form 990 or Form 990-EZ.
▶ See separate instructions. ▶ Information about Schedule C (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990*.

OMB No 1545-0047

2013

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 the organization	Employer identification number
Littleton Hospital Association	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) 2010	(b) 2011	(c) 2012	(d) 2013	(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?		No	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
c	Media advertisements?		No	
d	Mailings to members, legislators, or the public?		No	
e	Publications, or published or broadcast statements?		No	
f	Grants to other organizations for lobbying purposes?		No	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		No	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities?	Yes		14,954
j	Total Add lines 1c through 1i			14,954
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

Provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, Part II-A (affiliated group list), Part II-A, line 2, and Part II-B, line 1 Also, complete this part for any additional information

Return Reference	Explanation
Part II-B, Line 1	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 Hospital Association does not directly perform any lobbying activities

Part IV Supplemental Information *(continued)*

Return Reference	Explanation

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b
▶ Attach to Form 990. ▶ See separate instructions. ▶ Information about Schedule D (Form 990) and its instructions is at *www.irs.gov/form990*.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
Littleton Hospital Association

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

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 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 XIII, 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 XIII, 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 XIII

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 XIII 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 XIII Check here if the explanation has been provided in Part XIII . . . . . ☐

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

		(a) Current year	(b) Prior year	b (c) Two years back	(d) Three years back	(e) Four years back
1a	Beginning of year balance	870,609	794,094	717,945	767,249	728,305
b	Contributions	5,517				
c	Net investment earnings, gains, and losses	63,496	81,883	77,221	-48,189	49,089
d	Grants or scholarships					
e	Other expenditures for facilities and programs	75	5,368	1,072	1,115	10,145
f	Administrative expenses					
g	End of year balance	939,547	870,609	794,094	717,945	767,249

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

- a Board designated or quasi-endowment ▶ 0 %
- b Permanent endowment ▶ 81 810 %
- c Temporarily restricted endowment ▶ 18 190 %

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

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

Part VI Land, Buildings, and Equipment. Complete if the organization answered 'Yes' to Form 990, Part IV, line 11a. 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		40,669,584	19,547,647	21,121,937
c Leasehold improvements				
d Equipment		41,260,501	23,302,759	17,957,742
e Other		4,393,549	753,365	3,640,184
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				43,506,672

Part VII **Investments—Other Securities.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
Other		
Total. *(Column (b) must equal Form 990, Part X, col (B) line 12)* ▶		

Part VIII **Investments—Program Related.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

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

Part IX **Other Assets.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11d See Form 990, Part X, line 15

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

Part X **Other Liabilities.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1 (a) Description of liability	(b) Book value
Federal income taxes	
Reserve for Self-Funded Health Insurance	798,000
Due to Third Party Payors	4,872,336
Deferred Compensation	1,291,340
Interest Rate Swap	2,708,039
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	9,669,715

2. Liability for uncertain tax positions In Part XIII, 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) Check here if the text of the footnote has been provided in Part XIII ☐

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return Complete if the organization answered 'Yes' to Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements			1	86,751,781
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	1,977,764		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII)	2d			
e	Add lines **2a** through **2d**			2e	1,977,764
3	Subtract line **2e** from line **1**			3	84,774,017
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	119,306		
b	Other (Describe in Part XIII)	4b	325,955		
c	Add lines **4a** and **4b**			4c	445,261
5	Total revenue Add lines **3** and **4c.** (This must equal Form 990, Part I, line 12)			5	85,219,278

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return. Complete if the organization answered 'Yes' to Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements			1	82,955,246
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 XIII)	2d			
e	Add lines **2a** through **2d**			2e	0
3	Subtract line **2e** from line **1**			3	82,955,246
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	119,306		
b	Other (Describe in Part XIII)	4b	201,406		
c	Add lines **4a** and **4b**			4c	320,712
5	Total expenses Add lines **3** and **4c.** (This must equal Form 990, Part I, line 18)			5	83,275,958

Part XIII Supplemental Information

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, lines 2d and 4b, and Part XII, lines 2d and 4b Also complete this part to provide any additional information

Return Reference	Explanation
Part XI, Line 4b - Other Adjustments	Foundation Subsidy 201,406 Unrealized Loss on Interest Rate Swap 124,549
Part XII, Line 4b - Other Adjustments	Foundation Subsidy 201,406

Part XIII Supplemental Information *(continued)*

Return Reference	Explanation

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SCHEDULE F (Form 990)

Department of the Treasury
Internal Revenue Service

Statement of Activities Outside the United States

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 14b, 15, or 16.

▶ Attach to Form 990. ▶ See separate instructions.

▶ Information about Schedule F (Form 990) and its instructions is at *www.irs.gov/form990*.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
Littleton Hospital Association

Employer identification number
02-0222152

Part I **General Information on Activities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 14b.

1 **For grantmakers.** Does the organization maintain records to substantiate the amount of its grants and other assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . . ☐ Yes ☐ No

2 **For grantmakers.** Describe in Part V the organization's procedures for monitoring the use of its grants and other assistance outside the United States.

3 Activites per Region (The following Part I, line 3 table can be duplicated if additional space is needed)

	(a) Region	(b) Number of offices in the region	(c) Number of employees, agents, and independent contractors in region	(d) Activities conducted in region (by type) (e g , fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for and investments in region
(1)	Central America and the Caribbean - Antigua & Barbuda, Aruba, Bahamas,	0	0	Investments		6,743,456
(2)						
(3)						
(4)						
(5)						
3a	Sub-total	0	0			6,743,456
b	Total from continuation sheets to Part I	0	0			0
c	**Totals** (add lines 3a and 3b)	0	0			6,743,456

Part II **Grants and Other Assistance to Organizations or Entities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 15, for any recipient who received more than $5,000. Part II can be duplicated if additional space is needed.

1 **(a)** Name of organization	**(b)** IRS code section and EIN (if applicable)	**(c)** Region	**(d)** Purpose of grant	**(e)** Amount of cash grant	**(f)** Manner of cash disbursement	**(g)** Amount of non-cash assistance	**(h)** Description of non-cash assistance	**(i)** Method of valuation (book, FMV, appraisal, other)
(1)								
(2)								
(3)								
(4)								

2 Enter total number of recipient organizations listed above that are recognized as charities by the foreign country, recognized as tax-exempt by the IRS, or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter . . . . ▶ _____

3 Enter total number of other organizations or entities . . . . . ▶

Part III **Grants and Other Assistance to Individuals Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 16. Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Region	(c) Number of recipients	(d) Amount of cash grant	(e) Manner of cash disbursement	(f) Amount of non-cash assistance	(g) Description of non-cash assistance	(h) Method of valuation (book, FMV, appraisal, other)
(1)							
(2)							
(3)							
(4)							
(5)							
(6)							
(7)							
(8)							
(9)							
(10)							
(11)							
(12)							
(13)							
(14)							
(15)							
(16)							
(17)							
(18)							

Part IV Foreign Forms

1	Was the organization a U S transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926, Return by a U.S. Transferor of Property to a Foreign Corporation (see Instructions for Form 926)*	☑ Yes	☐ No
2	Did the organization have an interest in a foreign trust during the tax year? *If "Yes," the organization may be required to file Form 3520, Annual Return to Report Transactions with Foreign Trusts and Receipt of Certain Foreign Gifts, and/or Form 3520-A, Annual Information Return of Foreign Trust With a U.S. Owner (see Instructions for Forms 3520 and 3520-A)*	☐ Yes	☑ No
3	Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U.S. Persons with Respect to Certain Foreign Corporations. (see Instructions for Form 5471)*	☑ Yes	☐ No
4	Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund. (see Instructions for Form 8621)*	☐ Yes	☑ No
5	Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U.S. Persons with Respect to Certain Foreign Partnerships. (see Instructions for Form 8865)*	☑ Yes	☐ No
6	Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to file Form 5713, International Boycott Report (see Instructions for Form 5713).*	☐ Yes	☑ No

Additional Data

Software ID:
Software Version:
EIN: 02-0222152
Name: Littleton Hospital Association

Part V **Supplemental Information**

Provide the information required by Part I, line 2 (monitoring of funds); Part I, line 3, column (f) (accounting method; amounts of investments vs. expenditures per region); Part II, line 1 (accounting method); Part III (accounting method); and Part III, column (c) (estimated number of recipients), as applicable. Also complete this part to provide any additional information (see instructions).

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 20.
▶ Attach to Form 990. ▶ See separate instructions.
▶ Information about Schedule H (Form 990) and its instructions is at *www.irs.gov/form990.*

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
Littleton Hospital Association

Employer identification number
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	Yes	
b	If "Yes," was it a written policy?	1b	Yes	
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			
	☑ 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) as a factor in determining eligibility for providing *free* care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for *free* care	3a	Yes	
	☐ 100% ☐ 150% ☑ 200% ☐ Other _____ %			
b	Did the organization use FPG as a factor in determining eligibility for providing *discounted* care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care	3b	Yes	
	☐ 200% ☐ 250% ☑ 300% ☐ 350% ☐ 400% ☐ Other _____ %			
c	If the organization used factors other than FPG in determining 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, as a factor in determining eligibility for free or discounted care			
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b		No
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		
6a	Did the organization prepare a community benefit report during the tax year?	6a	Yes	
b	If "Yes," did the organization make it available to the public?	6b	Yes	
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)			5,251,426	3,726,411	1,525,015	1 830 %
b Medicaid (from Worksheet 3, column a)			11,751,803	10,051,865	1,699,938	2 040 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs			17,003,229	13,778,276	3,224,953	3 870 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			319,031	96,471	222,560	0 270 %
f Health professions education (from Worksheet 5)			59,606		59,606	0 070 %
g Subsidized health services (from Worksheet 6)			20,110,408	13,570,797	6,539,611	7 850 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			2,905		2,905	0 %
j **Total.** Other Benefits			20,491,950	13,667,268	6,824,682	8 190 %
k **Total.** Add lines 7d and 7j			37,495,179	27,445,544	10,049,635	12 060 %

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 Environmental improvements			13,398		13,398	0 020 %
5 Leadership development and training for community members			34,651		34,651	0 040 %
6 Coalition building						
7 Community health improvement advocacy						
8 Workforce development						
9 Other			3,600		3,600	0 %
10 **Total**			51,649		51,649	0 060 %

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

				Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?		1	Yes	
2	Enter the amount of the organization's bad debt expense Explain in Part VI the methodology used by the organization to estimate this amount	2	2,646,443		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit	3			
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements				

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	20,872,991		
6	Enter Medicare allowable costs of care relating to payments on line 5	6	20,872,991		
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	Yes	
b	If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI	9b	Yes	

Part IV Management Companies and Joint Ventures (owned 10% or more by officers, directors, trustees, key employees, and physicians—see instructions)

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

Part V Facility Information

Section A. Hospital Facilities

(list in order of size from largest to smallest—see instructions)
How many hospital facilities did the organization operate during the tax year? 1

	Name, address, primary website address, and state license number	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)	Facility reporting group
	See Additional Data Table										

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

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

Name of hospital facility or facility reporting group Littleton Regional Hospital

If reporting on Part V, Section B for a single hospital facility only: line number of hospital facility (from Schedule H, Part V, Section A) 1

			Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)				
1	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9	**1**	Yes	
	If "Yes," indicate what the CHNA report 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 CHNA 20 12			
3	In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? 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**	Yes	
4	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	**4**		No
5	Did the hospital facility make its CHNA report widely available to the public?	**5**	Yes	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☑ Hospital facility's website (list url) https //littletonhealthcare org			
b	☐ Other website (list url)			
c	☑ Available upon request from the hospital facility			
d	☐ Other (describe in Part VI)			
6	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply as of the end of the tax year)			
a	☑ Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA			
b	☑ Execution of the implementation strategy			
c	☑ Participation in the development of a community-wide plan			
d	☑ Participation in the execution of a community-wide plan			
e	☑ Inclusion of a community benefit section in operational plans			
f	☑ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g	☑ Prioritization of health needs in 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 CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	**7**		No
8a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	**8a**		No
b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	**8b**		
c	If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? $			

Part V Facility Information *(continued)*

Financial Assistance Policy		Yes	No
9 Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	**9**	Yes	
10 Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 200 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
11 Used FPG to determine eligibility for providing *discounted* care?	**11**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 300 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
12 Explained the basis for calculating amounts charged to patients?	**12**	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☑ Asset level			
c ☑ Medical indigency			
d ☑ Insurance status			
e ☑ Uninsured discount			
f ☑ Medicaid/Medicare			
g ☑ State regulation			
h ☐ Residency			
i ☐ Other (describe in Part VI)			
13 Explained the method for applying for financial assistance?	**13**	Yes	
14 Included measures to publicize the policy within the community served by the hospital facility?	**14**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☑ The policy was posted on the hospital facility's website			
b ☑ The policy was attached to billing invoices			
c ☑ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☑ The policy was posted in the hospital facility's admissions offices			
e ☐ The policy was provided, in writing, to patients on admission to the hospital facility			
f ☑ The policy was available upon request			
g ☐ Other (describe in Part VI)			
Billing and Collections			
15 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?	**15**	Yes	
16 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 the individual's eligibility under the facility's FAP			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			
17 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 individual's eligibility under the facility's FAP?	**17**		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			

Part V Facility Information *(continued)*

18 Indicate which efforts the hospital facility made before initiating any of the actions listed in line 17 (check all that apply)

- **a** ☑ Notified individuals of the financial assistance policy on admission
- **b** ☑ Notified individuals of the financial assistance policy prior to discharge
- **c** ☑ Notified individuals of the financial assistance policy in communications with the individuals regarding the individuals' bills
- **d** ☑ Documented its determination of whether individuals were eligible for financial assistance under the hospital facility's financial assistance policy
- **e** ☐ Other (describe in Section C)

Policy Relating to Emergency Medical Care

		Yes	No
19 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?	**19**	Yes	
If "No," indicate why			
a ☐ The hospital facility did not provide care for any emergency medical conditions			
b ☐ The hospital facility's policy was not in writing			
c ☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)			
d ☐ Other (describe in Part VI)			

Charges to Individuals Eligible for Assistance under the FAP (FAP-Eligible Individuals)

20 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)			
21 During the tax year, did the hospital facility charge any FAP-eligible individual 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?	**21**		No
If "Yes," explain in Part VI			
22 During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual?	**22**		No
If "Yes," explain in Part VI			

Part V Facility Information *(continued)*

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
See Additional Data Table	

Part V Facility Information *(continued)*

Section D. 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? _____

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

Part VI Supplemental Information

Provide the following information

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II and Part III, lines 2, 3, 4, 8 and 9b

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs 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

990 Schedule H, Supplemental Information

Form and Line Reference	Explanation
Part I, Line 7	
Part I, Line 7g	All costs reported on Part I, Line 7g are attributable to a physician practices as well as the paramedic program
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 III, Line 8	Any shortfall is treated as a community benefit The organization uses a cost to charge ratio from the Medicare cost report to determine the amount of Medicare allowable costs
Part III, Line 9b	Patients who are known to qualify for financial assistance are given a financial assistance application to fill out and return to our Financial Counselor Upon receipt of the financial assistance application, the application is processed and the amount of financial assistance that will be granted to the patient is determined Once the percentage of financial assistance is approved, we adjust the account balance accordingly If a balance is left over after the financial assistance is adjusted, the patient will receive their monthly statements for the remaining balance If the patient defaults on paying the remaining balance , their account will be sent to a third party collection agency no sooner than 120 days from date of their first statements issued At this time we would turn the account over to the third party collection agency for further collection efforts
Part VI, Line 2	The Littleton Regional Hospital Community is defined as all people living in the communities listed in Part VI, Line 4 These 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, Reports Filed With States	NH

Additional Data

Software ID:
Software Version:
EIN: 02-0222152
Name: Littleton Hospital Association

990 Schedule H, Supplemental Information

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
Littleton Regional Hospital	
Littleton Regional Hospital	Part V, Section B, Line 7 Alcohol Abuse, Drug Use in Youths, Mental Health and Suicide, a nd Smoking - LRH does not intend to develop an implementation plan for these needs for the following reasons *Lack of expertise of competency (i e , certain professional credential required and no such individual is in our immediate service area)*Lack of identified inte rventions to address need*Need is addressed by other organization or facility

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

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

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

▶ **Attach to Form 990**

▶ **Information about Schedule I (Form 990) and its instructions is at *www.irs.gov/form990*.**

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
Littleton Hospital Association

Employer identification number
02-0222152

Part I General Information on Grants and Assistance

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

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

Part II Grants and Other Assistance to Governments and Organizations in the United States.

Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than $5,000. Part II can be duplicated if additional space is needed.

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) Littleton Regional Hospital Charitable Foundation 600 St Johnsbury Road Littleton, NH 03561	04-3750643	501(c)(3)	201,406				Foregiveness of salary and benefit expense that is paid on behalf of the charitable foundation

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

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

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 22. Part III can be duplicated if additional space is needed.

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

Part IV **Supplemental Information.** Provide the information required in Part I, line 2, Part III, column (b), and any other additional information.

Return Reference	Explanation
Part I, Line 2	The Organization tracks the amount of expenses paid on behalf of the Littleton Regional Hospital Charitable Foundation, a related organization, and at the end of the year will forgive the Foundation for the reimbursement of expenses related to salaries and benefits

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 23.**
▶ **Attach to Form 990.** ▶ **See separate instructions.**
▶ **Information about Schedule J (Form 990) and its instructions is at *www.irs.gov/form990*.**

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
Littleton Hospital Association

Employer identification number
02-0222152

Part I Questions Regarding Compensation

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

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

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

Note. The sum of columns (B)(i)-(iii) 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 and Title	**(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				
See Additional Data Table							

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II
Also complete this part for any additional information

Return Reference	Explanation
Part I, Line 6	Warren West, CEO, received a bonus based on certain goals included in his contract, one of which is related to the performance of the Organization The Board assesses the performance of these goals and determines the bonus to be paid
Part I, Line 7	Deane Rankin, Trustee, and Patrick Fitzpatrick, Highest Compensated Employee, received bonuses during the year based upon their productivity using MGMA Standards by RVU and by their specialties Dr Andrew Forrest, Trustee, received a bonus during the year, which represented a vice chair stipend for Medical Staff Leadership Nicholas Braccino, Officer, received a bonus during the year of which $25,000 was a sign on bonus, and the remainder was based upon 10% of his salary Linda Gilmore, Key Employee, received a bonus during the year based upon 10% of her salary Richard Caesar, Highest Compensated Employee, received a bonus in accordance with his employment contract

Additional Data

Software ID:
Software Version:
EIN: 02-0222152
Name: Littleton Hospital Association

Form 990, Schedule J, Part II - Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
Deane Rankin MD Trustee/Physician	(I) (II)	394,425 0	44,174 0	409 0	12,750 0	34,642 0	486,400 0	0 0
Dr Andrew Forrest Chief of Staff	(I) (II)	304,880 0	3,750 0	19,586 0	12,750 0	16,297 0	357,263 0	0 0
Warren West CEO	(I) (II)	302,021 0	56,655 0	4,564 0	12,376 0	13,017 0	388,633 0	0 0
Nick Braccino CFO	(I) (II)	169,353 0	42,518 0	0 0	0 0	12,144 0	224,015 0	0 0
Linda Gilmore CAO/CNO	(I) (II)	188,910 0	18,884 0	0 0	10,721 0	32,867 0	251,382 0	0 0
Dr Harlan Herr Physician	(I) (II)	517,488 0	0 0	0 0	12,750 0	0 0	530,238 0	0 0
Dr Richard Caesar Physician	(I) (II)	457,888 0	20,000 0	0 0	12,750 0	29,867 0	520,505 0	0 0
Dr Patrick Fitzpatrick Physician	(I) (II)	376,058 0	217,318 0	0 0	12,750 0	40,941 0	647,067 0	0 0
Dr Leon Kogan Physician	(I) (II)	487,107 0	0 0	0 0	531 0	6,768 0	494,406 0	0 0
Dr Russel Sarver Physician	(I) (II)	424,961 0	0 0	0 0	2,895 0	33,767 0	461,623 0	0 0

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.
▶ Attach to Form 990. ▶ See separate instructions.
▶ Information about Schedule K (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
Littleton Hospital Association

Employer identification number
02-0222152

Part I Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	Business Finance Authority of the State of New Hampshire	52-1304598	64468kbg0	11-15-2007	30,000,000	Refunded series 1998A and 1998B Bonds		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	2,730,000			
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	8,710,000			
11	Other spent proceeds				
12	Other unspent proceeds				
13	Year of substantial completion	2012			

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

Part III Private Business Use

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

Part III Private Business Use *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use 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	Does the bond issue meet the private security or payment test?		X						
8a	Has there been a sale or disposition of any of the bond financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X						
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of								
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1 141-12 and 1 145-2?								
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1 141-12 and 1 145-2?		X						

Part IV Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the issuer filed Form 8038-T?		X						
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?		X						
b	Exception to rebate?	X							
c	No rebate due?		X						
	If you checked "No rebate due" in line 2c, provide in Part VI the date the rebate computation was performed								
3	Is the bond issue a variable rate issue?		X						
4a	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 superintegrated?								
e	Was the hedge terminated?								

Part IV Arbitrage *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
5a	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?								
6	Were any gross proceeds invested beyond an available temporary period?		X						
7	Has the organization established written procedures to monitor the requirements of section 148?		X						

Part V Procedures To Undertake Corrective Action

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
Has 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?	X							

Part VI Supplemental Information. Provide additional information for responses to questions on Schedule K (see instructions).

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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.
▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
Littleton Hospital Association

Employer identification number
02-0222152

990 Schedule O, Supplemental Information

Return Reference	Explanation
Form 990, Part VI, Section A, line 6	
Form 990, Part VI, Section A, line 7a	Each member of the Association shall be qualified to originate and take part in the discus sion 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 elect ed 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 Auxiliians 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 deci sions 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 gr oups 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, review s 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 reques t The hospital's conflict of interest policy is not made available to the public
Form 990, Part XI, line 9	Unrealized Loss on Interest Rate Swap -124,549

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.
▶ Information about Schedule R (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
Littleton Hospital Association

Employer identification number
02-0222152

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) No
(1) Littleton Regional Hospital Charitable Foundation 600 St Johnsbury Road Littleton, NH 03561 04-3750643	Charitable Foundation	NH	501(c)(3)	Line 7	Littleton Hospital Association	Yes	

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity?	
								Yes	No

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

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

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

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) Littleton Regional Hospital Charitable Foundation	B	201,406	FMV
(2) Littleton Regional Hospital Charitable Foundation	D	257,892	FMV

Part VI **Unrelated Organizations Taxable as a Partnership** Complete if the organization answered "Yes" on Form 990, Part IV, line 37.

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization See instructions regarding exclusion for certain investment partnerships

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations?		(i) Code V?UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	

Part VII Supplemental Information

Provide additional information for responses to questions on Schedule R (see instructions)

Return Reference	Explanation

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SCHEDULE O (Form 8865)

Department of the Treasury
Internal Revenue Service

Transfer of Property to a Foreign Partnership
(under section 6038B)

▸ **Attach to Form 8865. See Instructions for Form 8865.**

▸ **Information about Schedule O (Form 8865) and its separate instructions is at** ***www.irs.gov/form8865***

OMB No 1545-1668

2013

Name of transferor	**Filer's identifying number**
Littleton Hospital Association	02-0222152

Name of foreign partnership	**EIN (if any)**	**Reference ID number (see instructions)**
Drake Capital Offshore Partners LP c/o Drake Capital Advisors LLC		020222152drake

Part I Transfers Reportable Under Section 6038B

Type of property	(a) Date of transfer	(b) Number of items transferred	(c) Fair market value on date of transfer	(d) Cost or other basis	(e) Section 704(c) allocation method	(f) Gain recognized on transfer	(g) Percentage interest in partnership after transfer
Cash	2014-01-31		800,000				1 016 %
Stock, notes receivable and payable, and other securities							
Inventory							
Tangible property used in trade or business							
Intangible property							
Other property							

Supplemental Information Required To Be Reported (see instructions):

Part II Dispositions Reportable Under Section 6038B

(a) Type of property	(b) Date of original transfer	(c) Date of disposition	(d) Manner of disposition	(e) Gain recognized by partnership	(f) Depreciation recapture recognized by partnership	(g) Gain allocated to partner	(h) Depreciation recapture allocated to partner

Part III Is any transfer reported on this schedule subject to gain recognition under section 904(f)(3) or section 904(f)(5)(F)? . . . . . ▸ ☐ **Yes** ☑ **No**

Note: To capture the full content of this document, please select landscape mode (11" x 8.5") when printing.

TY 2013 Functional Currency and Exchange Rate QBU Statement

Name: Littleton Hospital Association
EIN: 02-0222152

QBU Id	Country of Operation	Functional Currency
USD		0.00000

BerryDunn

LITTLETON REGIONAL HEALTHCARE

LITTLETON HOSPITAL ASSOCIATION, INC.

(d/b/a LITTLETON REGIONAL HEALTHCARE AND SUBSIDIARY)

CONSOLIDATED FINANCIAL STATEMENTS

and

SUPPLEMENTARY INFORMATION

September 30, 2014 and 2013

With Independent Auditor's Report

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

September 30, 2014 and 2013

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Berry

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying consolidated financial statements of Littleton Hospital Association, Inc (d/b/a Littleton Regional Healthcare and Subsidiary), which comprise the consolidated balance sheets as of September 30, 2014 and 2013, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U S generally accepted accounting principles, this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error

Auditor's Responsibility

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 consolidated financial statements are free from material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Littleton Regional Healthcare and Subsidiary as of September 30, 2014 and 2013, and the consolidated results of their operations, changes in their net assets, and their cash flows for the years then ended, in accordance with U S generally accepted accounting principles

Other Matter

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

Berry Dunn McNeil & Parker, LLC

Manchester, New Hampshire
December 15, 2014

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

Consolidated Balance Sheets

September 30, 2014 and 2013

ASSETS

	2014	2013
Current assets		
Cash and cash equivalents	**$ 7,473,120**	$ 8,200,250
Patient accounts receivable, net	**8,663,835**	8,619,960
Supplies	**1,644,380**	1,580,589
Prepaid expenses and other current assets	**2,797,246**	2,417,730
Assets limited as to use, current portion	**627,941**	600,475
Total current assets	**21,206,522**	21,419,004
Assets limited as to use, less current portion	**32,373,992**	26,860,003
Property and equipment, net	**43,506,672**	46,267,834
Other long-term assets	**896,127**	1,682,131
Total assets	**$ 97,983,313**	$ 96,228,972

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

LIABILITIES AND NET ASSETS

	2014	2013
Current liabilities		
Current portion of long-term debt	**$ 1,365,782**	$ 1,305,391
Accounts payable and other accrued expenses	**3,726,096**	4,587,481
Accrued salaries, wages and related accounts	**2,445,339**	2,067,229
Other current liabilities	**1,459,625**	2,030,819
Due to third-party payors	**4,872,336**	5,130,354
Reserve for self-funded health insurance	**798,000**	751,000
Total current liabilities	**14,667,178**	15,872,274
Deferred compensation	**1,291,340**	1,063,723
Long-term debt, less current portion	**29,634,968**	30,908,891
Interest rate swap	**2,708,039**	2,583,490
Total liabilities	**48,301,525**	50,428,378
Net assets		
Unrestricted	**47,559,556**	43,843,161
Temporarily restricted	**435,748**	325,053
Permanently restricted	**1,686,484**	1,632,380
Total net assets	**49,681,788**	45,800,594
Total liabilities and net assets	**$ 97,983,313**	$ 96,228,972

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

Consolidated Statements of Operations

Years Ended September 30, 2014 and 2013

	2014	2013
Unrestricted revenues, gains and other support		
Patient service revenue (net of contractual allowances and discounts)	$ 86,346,953	$ 79,373,054
Less provision for bad debts	4,642,068	4,096,468
Net patient service revenue	81,704,885	75,276,586
Other operating revenues	2,406,824	3,551,827
Meaningful use incentive revenue	740,794	1,230,736
Net assets released from restrictions used in operations	54,257	126,707
Total unrestricted revenues, gains and other support	84,906,760	80,185,856
Expenses		
Salaries and wages	34,815,032	31,634,242
Employee benefits	8,622,796	7,892,006
Supplies and other	29,609,288	28,639,282
Medicaid Enhancement Tax	3,213,103	3,084,550
Depreciation and amortization	6,195,508	5,772,458
Interest	757,784	722,882
Total expenses	83,213,511	77,745,420
Operating income	1,693,249	2,440,436
Nonoperating gains (losses)		
Income from investments	421,015	370,419
Unrestricted gifts	26,782	22,790
Net realized and unrealized gains on investments	1,818,783	1,904,371
Community benefit expense	-	(10,243)
Investment management fees	(118,885)	(128,076)
Unrealized (loss) gain on interest rate swap	(124,549)	1,508,446
Nonoperating gains, net	2,023,146	3,667,707
Excess of revenues over expenses and increase in unrestricted net assets	$ 3,716,395	$ 6,108,143

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, 2014 and 2013

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Balances, October 1, 2012	$ 37,735,018	$ 285,310	$ 1,478,785	$ 39,499,113
Excess of revenues over expenses and increase in unrestricted net assets	6,108,143	-	-	6,108,143
Contributions	-	113,626	50,145	163,771
Net realized and unrealized gains on investments	-	26,907	115,996	142,903
Investment income (loss), net	-	25,917	(12,546)	13,371
Net assets released from restriction for operations	-	(126,707)	-	(126,707)
Increase in net assets	6,108,143	39,743	153,595	6,301,481
Balances, September 30, 2013	43,843,161	325,053	1,632,380	45,800,594
Excess of revenues over expenses and increase in unrestricted net assets	**3,716,395**	-	-	**3,716,395**
Contributions, net of pledge write off	-	**119,695**	**(41,379)**	**78,316**
Net realized and unrealized gains on investments	-	**19,421**	**97,708**	**117,129**
Investment income (loss), net	-	**25,836**	**(2,225)**	**23,611**
Net assets released from restriction for operations	-	**(54,257)**	-	**(54,257)**
Increase in net assets	**3,716,395**	**110,695**	**54,104**	**3,881,194**
Balances, September 30, 2014	**$ 47,559,556**	**$ 435,748**	**$ 1,686,484**	**$ 49,681,788**

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, 2014 and 2013

	2014	2013
Cash flows from operating activities		
Change in net assets	$ 3,881,194	$ 6,301,481
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Provision for bad debts	4,642,068	4,096,468
Depreciation and amortization	6,195,508	5,772,458
Loss on sale of property and equipment	20,832	32,684
Net realized and unrealized gains on investments	(1,935,912)	(2,047,274)
Unrealized loss (gain) on interest rate swap	124,549	(1,508,446)
(Increase) decrease in assets		
Patients accounts receivable	(4,685,943)	(3,331,182)
Supplies	(63,791)	(95,516)
Prepaid expenses and other current assets	(379,516)	(957,381)
Other long-term assets	774,825	(1,549,650)
Increase (decrease) in liabilities		
Accounts payable and other accrued expenses	(861,385)	1,275,655
Accrued salaries, wages and related accounts	378,110	5,767
Other current liabilities	(571,194)	1,431,969
Due to third-party payors	(258,018)	(33,855)
Deferred compensation	227,617	285,819
Reserve for self-funded health insurance	47,000	7,000
Net cash provided by operating activities	7,535,944	9,685,997
Cash flows from investing activities		
Proceeds from sale of property and equipment	-	23,570
Purchases of investments	(8,743,015)	(25,931,512)
Proceeds from sale of investments	5,137,472	25,243,364
Purchases of property and equipment	(3,323,386)	(3,805,699)
Net cash used by investing activities	(6,928,929)	(4,470,277)
Cash flows from financing activities		
Payments on long-term debt	(1,334,145)	(1,101,075)
Net cash used by financing activities	(1,334,145)	(1,101,075)
Net (decrease) increase in cash and cash equivalents	(727,130)	4,114,645
Cash and cash equivalents, beginning of year	8,200,250	4,085,605
Cash and cash equivalents, end of year	$ 7,473,120	$ 8,200,250
Supplemental disclosures of cash flow information		
Interest paid, including $20,087 and $34,787, of capitalized interest in 2014 and 2013, respectively	$ 757,879	$ 575,232
Acquisition of equipment financed through capital lease	104,495	324,375
Acquisition of equipment financed through long-term debt	16,118	2,835,000

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

Organization

Littleton Hospital Association, Inc (Hospital) (d/b/a Littleton Regional Healthcare and Subsidiary) (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 (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 ASC 958 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 (U S 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 Internal Revenue Code (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 825-10-35-4 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

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

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 gain (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 U S GAAP, the Organization has considered transactions or events occurring through December 15, 2014, which was the date the financial statements were issued

Reclassifications

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

2. Net Patient Service Revenue and Patient Accounts Receivable

Net Patient Service Revenue

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

	2014	2013
Gross patient service revenue		
Routine services	**$ 5,199,982**	$ 4,912,044
Ancillary services	**140,298,983**	130,323,713
	145,498,965	135,235,757
Less contractuals and discounts	**59,152,012**	55,862,703
Patient service revenue (net of contractual allowances and discounts)	**86,346,953**	79,373,054
Less provision for bad debts	**4,642,068**	4,096,468
Net patient service revenue	**$ 81,704,885**	$ 75,276,586

Patient Accounts Receivable

Patient accounts receivable are stated net of estimated contractual allowances and allowance for bad debts, as follows, as of September 30.

	2014	2013
Patient accounts receivable	**$ 18,831,533**	$ 18,891,325
Less Estimated contractual allowances	**7,286,402**	7,075,696
Estimated allowance for bad debts	**2,881,296**	3,195,669
Patient accounts receivable, net	**$ 8,663,835**	$ 8,619,960

During 2014, the Hospital decreased its estimate from $2,013,000 to $1,595,000 in the allowance for doubtful accounts relating to self-pay patients. During 2014, self-pay write-offs increased from $5,517,000 to $5,607,000. Such increases resulted from trends experienced in the collection of amounts from self-pay patients and a change in write-off practices

The Hospital 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, 2011

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, 2011

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

Revenue from the Medicare and Medicaid programs accounted for approximately 31% and 12%, respectively, of the Hospital's patient service revenue (net of contractual allowances and discounts) for the year ended September 30, 2014, and 29% and 10%, respectively, of the Hospital's patient service revenue (net of contractual allowances and discounts), for the year ended September 30, 2013 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 2014 and 2013 net patient service revenue increased by approximately $1,399,000 and $660,800, respectively, due to differences in retroactive adjustments compared to amounts previously estimated

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 sources, are as follows

	2014	2013
Total all payors		
Third-party payors	**$79,251,285**	$71,683,870
Self-pay	**7,095,668**	7,689,184
Patient service revenue (net of contractual allowances and discounts)	**$86,346,953**	$79,373,054

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 (net of contractual allowances and discounts) in the consolidated statements of operations is $3,726,411 and $3,315,302 for the years ended September 30, 2014 and 2013, 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

- Up to 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 $2,191,300 in 2014 and $2,342,200 in 2013 The total cost estimate is based on an overall financial statement cost to charge ratio applied against gross charity care charges In 2014 and 2013, 2 64% and 3 02%, respectively, of all services as defined by percentage of gross revenue was provided on a charity basis.

In 2014, of a total of 1,463 inpatients, 23 received their entire episode of service on a charity basis and 80 received partial subsidy In 2013, of a total of 1,436 inpatients, 21 received full charity and 90 received partial subsidy

4. Property and Equipment

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

	2014	2013
Land	$ 786,809	$ 786,809
Land improvements	3,455,995	3,115,688
Buildings	40,669,584	40,084,265
Fixed equipment	12,731,485	10,544,604
Major moveable equipment	28,537,666	27,116,673
	86,181,539	81,648,039
Less accumulated depreciation and amortization	43,612,421	38,577,016
	42,569,118	43,071,023
Construction in progress	937,554	3,196,811
	$ 43,506,672	$ 46,267,834

During 2010, the Hospital entered into a contract to implement an electronic medical records system The cost of the project through September 2014 was $6,836,898 The main system went live October 2011, Physician Order entry went live March 2012, the electronic document system went live August 2012 and the Physician Documentation went live April 2013 The emergency department clinical system and speech recognition system went live December 2013 The entire system was funded through operations

During 2013, the Hospital entered into a contract for the addition of a biomass wood burning boiler The entire project cost is $3,056,210 The project was completed and placed in service in January 2014 and was financed through a construction loan at 2 97%

5. Assets Limited as to Use

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

	2014	2013
Board designated for capital acquisition and operations	**$ 28,996,099**	$23,889,676
Deferred compensation	**1,291,340**	1,063,723
Temporarily restricted	**402,925**	325,053
Permanently restricted	**1,683,628**	1,581,551
Funds held by trustee under revenue bond agreement	**627,941**	600,475
Total	**33,001,933**	27,460,478
Less current portion	**627,941**	600,475
Noncurrent portion	**$ 32,373,992**	$26,860,003

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

	2014	2013
Cash and cash equivalents	**$ 1,922,266**	$ 1,871,090
Fixed income	**1,291,340**	1,063,723
Marketable equity securities	**7,708**	5,780
Mutual funds	**19,828,277**	16,855,552
Other investments	**9,952,342**	7,664,333
Total	**$ 33,001,933**	$27,460,478

Net realized losses on the sale of assets limited as to use for the year ended September 30, 2014 amounted to $109,816 and net realized gains on the sale of assets limited as to use for the year ended September 30, 2013 amounted to $1,188,133

Changes in endowment (donor restricted) net assets for the year ended September 30, 2014, are as follows.

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 203,718	$ 1,587,317	$ 1,791,035
Investment return			
Investment income (loss), net of fees	17,299	(2,225)	15,074
Realized loss on investments	(772)	(3,757)	(4,529)
Unrealized gains on investments	14,517	101,465	115,982
Total investment return	31,044	95,483	126,527
Contributions, net of pledge write off	5,517	(41,379)	(35,862)
Appropriation of endowment assets for expenditure	(11,235)	-	(11,235)
Endowment net assets, end of year	$ 229,044	$ 1,641,421	$ 1,870,465

Changes in endowment (donor restricted) net assets for the year ended September 30, 2013 are as follows.

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 170,988	$ 1,428,347	$ 1,599,335
Investment return			
Investment income (loss), net of fees	18,528	(12,546)	5,982
Realized gains on investments	12,812	134,644	147,456
Unrealized gain (loss) on investments	3,020	(18,648)	(15,628)
Total investment return	34,360	103,450	137,810
Receipts on pledges receivable	-	5,375	5,375
Contributions	5,560	50,145	55,705
Appropriation of endowment assets for expenditure	(7,190)	-	(7,190)
Endowment net assets, end of year	$ 203,718	$ 1,587,317	$ 1,791,035

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 The investment objective for the portfolio is to achieve the highest long-term total return on assets that is consistent with prudent investment practices Over the long term, good investment performance should maintain or enhance the purchasing power of the portfolio's assets. A secondary objective is to achieve an annualized return that meets or exceeds a Policy Index that is comprised of reasonable market benchmarks in a weighting that is consistent with the target asset allocation as approved by the Association.

The portfolio assets have a long-term, indefinite time horizon with relatively low liquidity needs As such, the Fund may take advantage of less liquid investments and assume a time horizon that extends well beyond a normal market cycle It is expected, however, that sufficient portfolio diversification will smooth volatility and help to assure a reasonable consistency of return The portfolio will be managed on a total return basis

6. Borrowings

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, 2014 and 2013, 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

	2014	2013
Series 2007 variable rate bonds at 68% of the one-month LIBOR rate (24% at September 30, 2014), payable in annual installments ranging from $655,000 in 2014 to $1,750,000 in 2038, collateralized by substantially all Hospital assets and gross receipts	**$ 27,270,000**	$ 27,925,000
2.97% note payable to a bank, due in variable monthly installments ranging from $26,820 in 2014 to $27,450 in 2015, including interest, through April 2023, collateralized by substantially all Hospital assets	**2,482,650**	2,732,900
Various capital leases, payable in 60 monthly principal payments ranging from $4,783 to $73,925 with interest rates varying from 0% to 21 63%, collateralized by specific assets purchased under capital leases	**1,248,100**	1,556,382
	31,000,750	32,214,282
Less current portion	**1,365,782**	1,305,391
Long-term debt, excluding current portion	**$ 29,634,968**	$ 30,908,891

Annual maturities on long-term debt and capital leases for fiscal years subsequent to September 30, 2014, are as follows

2015	$ 942,784	$ 432,756
2016	970,546	432,756
2017	1,013,541	338,264
2018	1,056,776	58,078
2019	1,090,260	6,730
Thereafter	24,678,743	-
	$ 29,752,650	1,268,584
Less amount representing interest under capital leases obligations		(20,484)
		$ 1,248,100

Interest on long-term debt, excluding letter of credit fees and capitalized interest was $628,607 and $575,219 for the years ended September 30, 2014 and 2013, respectively Interest capitalized during 2014 and 2013 was $20,087 and $34,800, respectively

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 gain (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 $2,708,039 and $2,583,490 at September 30, 2014 and 2013, 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 $109,090 and $112,863 in 2014 and 2013, 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, 2014, 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 $1,102,530 and $1,086,606 for 2014 and 2013, 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 $1,291,340 and $1,063,723 have been recorded related to this plan for 2014 and 2013, 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 U S GAAP requires the Organization to accrue the ultimate cost of malpractice claims when the incident that gives rise to the 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 determined that no such accrual is necessary for the year ended September 30, 2014 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, 2014 and 2013, the Organization has accrued estimated costs on incurred but not reported claims of approximately $798,000 and $751,000, 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 $503,416 and $721,491 for the years ended September 30, 2014 and 2013, respectively Future minimum lease payments are as follows for the year ending September 30.

2015	$ 600,505
2016	623,835
2017	603,905
2018	622,022
2019	640,682
Total future minimum lease payments	$ 3,090,949

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 five 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, and 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 payors 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, 2014 and 2013 were $5,194,190 and $4,572,520, respectively, of which $421,314 and $311,096 is included in prepaid expenses and other current asset at September 30, 2014 and 2013, respectively

Capital Lease Maintenance Agreement

During 2012, the Organization entered into a capital 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 2014 and 2013 was $101,307 and $103,372, respectively The maintenance fee commitment expires at the conclusion of the lease agreement which is June 2017

9. Physician Practices

During 2014 and 2013, the Organization operated several physician practices As of September 30, 2014 and 2013, the Organization recognized net practice operations as follows

	2014	2013
Net practice revenue	**$ 13,570,797**	$ 12,162,516
Direct expenses	**19,834,370**	17,449,425
Net loss (not including indirect expenses)	**$ (6,263,573)**	$ (5,286,909)

10. Temporarily and Permanently Restricted Net Assets

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

	2014	2013
Construction fund	**$ 14,665**	$ 4,175
Indigent care	**107,330**	96,724
Health education	**8,217**	9,154
Pastoral care	**7,927**	7,378
Veterans transportation	**1,566**	1,458
Volunteer services	**41,940**	37,633
Other health related services	**254,103**	168,531
	$ 435,748	$ 325,053

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

	2014	2013
Investments and pledges receivable to be held in perpetuity, the income from which is expendable to support health care services	**$ 1,686,484**	$ 1,632,380

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.

	2014	2013
Health care services	**$ 65,087,123**	$ 61,288,892
General and administrative	**18,124,233**	16,456,528
	$ 83,211,356	$ 77,745,420

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, 2014 and 2013, was as follows:

	2014	2013
Medicare	**28 %**	27 %
Medicaid	**12**	15
Anthem	**12**	11
Other third-party payors	**27**	23
Patient	**21**	24
	100 %	100 %

Investments

A significant concentration of investments or $9,952,342 and $7,664,333 is invested in the alternative investment funds of Hatteras Multi-Strategy TEI Institutional Fund, LP, AEW Global Property Securities Fund, LP, The Colchester Global Bond Fund, Nyes Ledge Capital Offshore Fund, LTD, and Drake Capital Offshore Partners, LP, at September 30, 2014 and 2013, 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, 2014			
	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	$ 1,922,266	$ 1,922,266	$ -	$ -
Marketable equity securities				
Consumer discretionary	7,708	7,708	-	-
Mutual funds				
Index funds	15,605,236	15,605,236	-	-
Bond funds	4,223,041	4,223,041	-	-
Total mutual funds	19,828,277	19,828,277	-	-
Other investments				
Hatteras Multi-Strategy TEI Institutional Fund, LP	480,851	-	-	480,851
AEW Global Property Securities Fund, LP	1,232,974	-	1,232,974	-
The Colchester Global Bond Fund	1,495,061	-	-	1,495,061
Nyes Ledge Capital Offshore Fund, LTD	3,192,426	-	-	3,192,426
Drake Capital Offshore Partners, LP	3,551,030	-	-	3,551,030
Assets to fund deferred compensation	1,291,340	1,291,340	-	-
Total other investments	11,243,682	1,291,340	1,232,974	8,719,368
Total assets	$ 33,001,933	$ 23,049,591	$ 2,465,948	$ 8,719,368
Liabilities				
Interest rate swap	$ 2,708,039	$ -	$ 2,708,039	$ -
Total liabilities	$ 2,708,039	$ -	$ 2,708,039	$ -

	Fair Value Measurements at September 30, 2013			
	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	$ 1,871,090	$ 1,871,090	$ -	$ -
Marketable equity securities				
Consumer discretionary	5,780	5,780	-	-
Mutual funds				
Index funds	13,083,549	13,083,549	-	-
Bond funds	3,772,003	3,772,003	-	-
Total mutual funds	16,855,552	16,855,552	-	-
Other investments				
Hatteras Multi-Strategy TEI Institutional Fund, LP	697,008	-	-	697,008
AEW Global Property Securities Fund, LP	834,808	-	834,808	-
The Colchester Global Bond Fund	1,049,186	-	-	1,049,186
Nyes Ledge Capital Offshore Fund, LTD	2,579,550	-	-	2,579,550
Drake Capital Offshore Partners, LP	2,503,781	-	-	2,503,781
Assets to fund deferred compensation	1,063,723	1,063,723	-	-
Total other investments	8,728,056	1,063,723	834,808	6,829,525
Total assets	$ 27,460,478	$ 19,796,145	$ 834,808	$ 6,829,525
Liabilities				
Interest rate swap	$ 2,583,490	$ -	$ 2,583,490	$ -
Total liabilities	$ 2,583,490	$ -	$ 2,583,490	$ -

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 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 for which significant unobservable inputs (Level 3) were used in determining fair value

	2014	2013
Balance at beginning of year	**$ 6,829,525**	$ 2,455,126
Addition	**1,745,005**	5,830,000
Withdrawals	**(248,142)**	(835,601)
Net change in unrealized appreciation	**392,980**	(620,000)
Balance at end of year	**$ 8,719,368**	$ 6,829,525

Fair Value of Financial Instruments

The carrying amounts of cash and cash equivalents, bonds payable, note payable and capital leases approximates their fair value using level 1 inputs The fair values of investments and the interest rate swap were determined using the methods and inputs described in the first section of this note

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 $2,501,900 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 filed a petition for reconsideration in 2013 and a settlement was reached on December 19, 2013 which it has recorded in other long-term assets and other operating revenues

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 2014 and 2013, the Hospital attested to Stage 1 meaningful use certification from CMS and recorded meaningful use revenues of $412,229 and $830,226, respectively

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 2014 and 2013, the Hospital recorded meaningful use revenues of $21,250 and $220,510, respectively, from the Medicaid EHR program At September 30, 2014 and 2013, $161,214 and $407,551, respectively, were included as receivables in due to third-party payors

In 2014 and 2013, the Hospital recognized $169,911 and $180,000, respectively, of Medicare EHR program revenues for its eligible physicians

In 2014, the Hospital attested to Stage 2 meaningful use certification from CMS and recorded meaningful use revenues of $137,404

16. Letter of Intent - North Country Affiliation

On July 21, 2014, the Hospital, along with three other hospitals in the North Country, Androscoggin Valley Hospital, Weeks Medical Center, and Upper Connecticut Valley Hospital, have signed a non-binding letter of intent to create a common parent organization that would serve all communities in the North Country The letter of intent provides a way forward for each of the organizations working together with the others to seek both regulatory approvals needed for this business affiliation Under this arrangement, the four hospitals would each exchange some autonomy, given to the parent organization, to enable the hospitals to develop a highly-coordinated health care network that will improve quality, increase efficiencies and lower cost of health care delivery in the region

SUPPLEMENTARY INFORMATION

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

Consolidating Balance Sheets

September 30, 2014

ASSETS

	Hospital	Foundation	Eliminations	2014 Consolidated
Current assets				
Cash and cash equivalents	$ 7,291,749	$ 181,371	$ -	$ 7,473,120
Patient accounts receivable, net	8,663,835	-	-	8,663,835
Supplies	1,644,380	-	-	1,644,380
Prepaid expenses and other current assets	3,004,650	50,488	(257,892)	2,797,246
Assets limited as to use, current portion	627,941	-	-	627,941
Total current assets	21,232,555	231,859	(257,892)	21,206,522
Assets limited as to use, less current portion	31,103,150	1,270,842	-	32,373,992
Property and equipment, net	43,506,672	-	-	43,506,672
Other long-term assets	896,127	-	-	896,127
Total assets	$ 96,738,504	$ 1,502,701	$ (257,892)	$ 97,983,313

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

Consolidating Balance Sheets

September 30, 2014

LIABILITIES AND NET ASSETS

	Hospital	Foundation	Eliminations	2014 Consolidated
Current liabilities				
Current portion of long-term debt	$ 1,365,782	$ -	$ -	$ 1,365,782
Accounts payable and other accrued expenses	3,726,096	257,892	(257,892)	3,726,096
Accrued salaries, wages and related accounts	2,445,339	-	-	2,445,339
Other current liabilities	1,454,265	5,360	-	1,459,625
Due to third-party payors	4,872,336	-	-	4,872,336
Reserve for self-funded health insurance	798,000	-	-	798,000
Total current liabilities	14,661,818	263,252	(257,892)	14,667,178
Deferred compensation	1,291,340	-	-	1,291,340
Long-term debt, less current portion	29,634,968	-	-	29,634,968
Interest rate swap	2,708,039	-	-	2,708,039
Total liabilities	48,296,165	263,252	(257,892)	48,301,525
Net assets				
Unrestricted	47,488,526	71,030	-	47,559,556
Temporarily restricted	185,197	250,551	-	435,748
Permanently restricted	768,616	917,868	-	1,686,484
Total net assets	48,442,339	1,239,449	-	49,681,788
Total liabilities and net assets	$ 96,738,504	$ 1,502,701	$ (257,892)	$ 97,983,313

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

Consolidating Balance Sheets

September 30, 2013

ASSETS

	Hospital	Foundation	Eliminations	2013 Consolidated
Current assets				
Cash and cash equivalents	$ 8,120,183	$ 80,067	$ -	$ 8,200,250
Patient accounts receivable, net	8,619,960	-	-	8,619,960
Supplies	1,580,589	-	-	1,580,589
Prepaid expenses and other current assets	2,518,592	66,565	(167,427)	2,417,730
Assets limited as to use, current portion	600,475	-	-	600,475
Total current assets	21,439,799	146,632	(167,427)	21,419,004
Assets limited as to use, less current portion	25,679,057	1,180,946	-	26,860,003
Property and equipment, net	46,267,834	-	-	46,267,834
Other long-term assets	1,682,131	-	-	1,682,131
Total assets	$ 95,068,821	$ 1,327,578	$ (167,427)	$ 96,228,972

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

Consolidating Balance Sheets

September 30, 2013

LIABILITIES AND NET ASSETS

	Hospital	Foundation	Eliminations	2013 Consolidated
Current liabilities				
Current portion of long-term debt	$ 1,305,391	$ -	$ -	$ 1,305,391
Accounts payable and other accrued expenses	4,587,481	167,427	(167,427)	4,587,481
Accrued salaries, wages and related accounts	2,067,229	-	-	2,067,229
Other current liabilities	2,025,458	5,361	-	2,030,819
Due to third-party payors	5,130,354	-	-	5,130,354
Reserve for self-funded health insurance	751,000	-	-	751,000
Total current liabilities	15,866,913	172,788	(167,427)	15,872,274
Deferred compensation	1,063,723	-	-	1,063,723
Long-term debt, less current portion	30,908,891	-	-	30,908,891
Interest rate swap	2,583,490	-	-	2,583,490
Total liabilities	50,423,017	172,788	(167,427)	50,428,378
Net assets				
Unrestricted	43,762,042	81,119	-	43,843,161
Temporarily restricted	165,664	159,389	-	325,053
Permanently restricted	718,098	914,282	-	1,632,380
Total net assets	44,645,804	1,154,790	-	45,800,594
Total liabilities and net assets	$ 95,068,821	$ 1,327,578	$ (167,427)	$ 96,228,972

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

Consolidating Statements of Operations

Year Ended September 30, 2014

	Hospital	Foundation	Eliminations	2014 Consolidated
Unrestricted revenues, gains and other support				
Patient service revenue (net of contractual allowances and discounts)	$ 86,346,953	$ -	$ -	$ 86,346,953
Less provision for bad debts	4,642,068	-	-	4,642,068
Net patient service revenue	81,704,885	-	-	81,704,885
Other operating revenues	2,406,824	-	-	2,406,824
Meaningful use incentive revenue	740,794	-	-	740,794
LRH Charitable Foundation support	39,603	-	(39,603)	-
Net assets released from restrictions used in operations	75	54,182	-	54,257
Total unrestricted revenues, gains and other support	84,892,181	54,182	(39,603)	84,906,760
Expenses				
Salaries and wages	34,657,683	157,349	-	34,815,032
Employee benefits	8,578,738	44,058	-	8,622,796
Supplies and other	29,552,430	96,461	(39,603)	29,609,288
Medicaid Enhancement Tax	3,213,103		-	3,213,103
Depreciation and amortization	6,195,508	-	-	6,195,508
Interest	757,784	-	-	757,784
Total expenses	82,955,246	297,868	(39,603)	83,213,511
Operating income (loss)	1,936,935	(243,686)	-	1,693,249
Nonoperating gains (losses)				
Income from investments	412,610	8,405	-	421,015
Unrestricted gifts	12,092	14,690	-	26,782
Foundation subsidy	(201,406)	201,406	-	-
Net realized and unrealized gains on investments	1,809,421	9,362	-	1,818,783
Community benefit expense	-	-	-	-
Investment management fees	(118,619)	(266)	-	(118,885)
Unrealized loss on interest rate swap	(124,549)	-	-	(124,549)
Nonoperating gains, net	1,789,549	233,597	-	2,023,146
Excess (deficiency) of revenues over expenses and increase (decrease) in unrestricted net assets	$ 3,726,484	$ (10,089)	$ -	$ 3,716,395

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

Consolidating Statements of Operations

Year Ended September 30, 2013

	Hospital	Foundation	Eliminations	2013 Consolidated
Unrestricted revenues, gains and other support				
Patient service revenue (net of contractual allowances and discounts)	$ 79,373,054	$ -	$ -	$ 79,373,054
Less provision for bad debts	4,096,468	-	-	4,096,468
Net patient service revenue	75,276,586	-	-	75,276,586
Other operating revenues	3,551,827	-	-	3,551,827
Meaningful use incentive revenue	1,230,736	-	-	1,230,736
LRH Charitable Foundation support	114,760	-	(114,760)	-
Net assets released from restrictions used in operations	857	125,850	-	126,707
Total unrestricted revenues, gains and other support	80,174,766	125,850	(114,760)	80,185,856
Expenses				
Salaries and wages	31,553,200	81,042	-	31,634,242
Employee benefits	7,869,314	22,692	-	7,892,006
Supplies and other	28,585,551	168,491	(114,760)	28,639,282
Medicaid Enhancement Tax	3,084,550	-	-	3,084,550
Depreciation and amortization	5,772,458	-	-	5,772,458
Interest	722,882	-	-	722,882
Total expenses	77,587,955	272,225	(114,760)	77,745,420
Operating income (loss)	2,586,811	(146,375)	-	2,440,436
Nonoperating gains (losses)				
Income from investments	360,553	9,866	-	370,419
Unrestricted gifts	7,341	15,449	-	22,790
Foundation subsidy	(103,734)	103,734	-	-
Net realized and unrealized gains on investments	1,896,556	7,815	-	1,904,371
Community benefit expense	(10,243)	-	-	(10,243)
Investment management fees	(126,279)	(1,797)	-	(128,076)
Unrealized gain on interest rate swap	1,508,446	-	-	1,508,446
Nonoperating gains, net	3,532,640	135,067	-	3,667,707
Excess (deficiency) of revenues over expenses and increase (decrease) in unrestricted net assets	$ 6,119,451	$ (11,308)	$ -	$ 6,108,143

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

Consolidating Statements of Changes in Net Assets

Year Ended September 30, 2014

	Hospital	Foundation	2014 Consolidated
Unrestricted net assets			
Excess (deficiency) of revenues over expenses and change in unrestricted net assets	$ 3,726,484	$ (10,089)	$ 3,716,395
Temporarily restricted net assets			
Contributions	-	119,695	119,695
Net realized and unrealized gains on investments	11,909	7,512	19,421
Investment income, net	7,699	18,137	25,836
Net assets released from restriction for operations	(75)	(54,182)	(54,257)
Change in temporarily restricted net assets	19,533	91,162	110,695
Permanently restricted net assets			
Contributions, net of pledge write off	-	(41,379)	(41,379)
Net realized and unrealized gains on investments	51,205	46,503	97,708
Investment management fees	(687)	(1,538)	(2,225)
Change in permanently restricted net assets	50,518	3,586	54,104
Increase in net assets	3,796,535	84,659	3,881,194
Net assets, beginning of year	44,645,804	1,154,790	45,800,594
Net assets, end of year	$ 48,442,339	$ 1,239,449	$ 49,681,788

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

Consolidating Statements of Changes in Net Assets

Year Ended September 30, 2013

	Hospital	Foundation	2013 Consolidated
Unrestricted net assets			
Excess (deficiency) of revenues over expenses and change in unrestricted net assets	$ 6,119,451	$ (11,308)	$ 6,108,143
Temporarily restricted net assets			
Contributions	-	113,626	113,626
Net realized and unrealized gains on investments	13,396	13,511	26,907
Investment income, net	7,506	18,411	25,917
Net assets released from restriction for operations	(857)	(125,850)	(126,707)
Change in temporarily restricted net assets	20,045	19,698	39,743
Permanently restricted net assets			
Contributions	-	50,145	50,145
Net realized and unrealized gains on investments	59,090	56,906	115,996
Investment management fees	(1,385)	(11,161)	(12,546)
Change in permanently restricted net assets	57,705	95,890	153,595
Increase in net assets	6,197,201	104,280	6,301,481
Net assets, beginning of year	38,448,603	1,050,510	39,499,113
Net assets, end of year	$ 44,645,804	$ 1,154,790	$ 45,800,594

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