



**Dartmouth-Hitchcock Medical Center**

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November 8, 2011

Re: Dartmouth-Hitchcock Obligated Group – Report for the 4<sup>th</sup> Quarter Ending September 30, 2011

Dear Investor and/or Interested Party:

In accordance with the Master Trust Indenture, Section 5.11 of the various Loan Agreements, and the various Continuing Disclosure Agreements relating to the members of the Dartmouth-Hitchcock Obligated Group: Dartmouth-Hitchcock Clinic, Mary Hitchcock Memorial Hospital, Cooley Dickinson Hospital, Central Vermont Hospital and Woodridge Nursing Home, this is to advise the interim financial statements including utilization statistics and payor mix information for the twelve months ending September 30, 2011, are now available to you through the DAC website.

If you have any questions or would like further detail, please do not hesitate to call Bruce Adams (603-653-1152) or me (603-650-5668).

Very truly yours,

A handwritten signature in black ink, appearing to read "Robin F. Kilfeather-Mackey".

Robin F. Kilfeather-Mackey  
Chief Financial Officer

RFKM/if  
Enclosures

cc: Bruce A. Adams  
Anne Page  
Janet M. West

November 8, 2011

Re: Dartmouth-Hitchcock Obligated Group – Report for the 4<sup>th</sup> Quarter Ending September 30, 2011

To: Investor/Interested Party:

For the fiscal year ended September 30, 2011, Dartmouth-Hitchcock (D-H) absorbed three extraordinary events which negatively impacted the operating margin:

- D-H implemented a state of the art electronic medical record system in April of 2011. D-H anticipated that the implementation would have a one-time negative margin impact of \$20 million, which was budgeted accordingly.
- As a result of a mid-fiscal year change in the State of New Hampshire's Disproportionate Share Program, D-H was required to recognize a \$10 million Medicaid Enhancement Tax charge in the 4<sup>th</sup> quarter. This expense was not included in the FY 2011 budget.
- D-H administered a Voluntary Early Retirement Offering resulting in additional expense of \$15.8 million. The entire expense was recognized in FY 2011 however this expense was not included in our FY 2011 budget.

**DARTMOUTH-HITCHCOCK OBLIGATED GROUP**

**QUARTERLY REPORT FOR**

**THE QUARTER ENDED SEPTEMBER 30, 2011**

**Dartmouth-Hitchcock Obligated Group  
Quarterly Report  
For the Period Ended September 30, 2011**

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**Dartmouth-Hitchcock Obligated Group**  
**Combined Balance Sheets**  
**September 30, 2011 and 2010**  
(000's Omitted)

	<i>Unaudited</i> Sept. 30, 2011	<i>Audited</i> Sept. 30, 2010
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 61,603	76,682
Investments	35,391	6,543
Patient accounts receivable, net	183,171	193,998
Current portion of trustee-held assets	822	7,380
Prepaid expenses and other current assets	95,164	65,434
Total current assets	<u>376,151</u>	<u>350,037</u>
<b>Assets limited as to use</b>		
Internally designated by board	472,474	472,784
Held by captive insurance company	88,309	88,309
Under bond indenture agreement - held by trustee	25,445	80,585
By bank loan	-	3,594
	<u>586,228</u>	<u>645,272</u>
Less current portion of trustee-held assets	822	7,380
Total assets limited as to use	<u>585,406</u>	<u>637,892</u>
<b>Other investments for temporarily and permanently restricted activities</b>		
	105,173	103,619
Property, plant and equipment, net	569,789	542,282
Other assets	54,743	52,701
Total assets	<u>\$ 1,691,262</u>	<u>1,686,531</u>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Current portion of long-term debt	\$ 16,172	15,556
Current portion of liability for pension and other postretirement plan benefits	7,623	3,896
Accounts payable and accrued expenses	84,711	78,594
Accrued compensation and related benefits	113,199	96,760
Estimated third-party settlements	33,041	34,972
Total current liabilities	<u>254,746</u>	<u>229,778</u>
Long-term debt, excluding current portion	499,206	520,097
Insurance deposits and related liabilities	95,180	95,180
Interest rate swaps	26,768	28,589
Liability for pension and other postretirement plan benefits	453,433	401,129
Other liabilities	4,543	3,437
Total liabilities	<u>1,333,876</u>	<u>1,278,210</u>
<b>Net assets</b>		
Unrestricted	250,438	299,752
Temporarily restricted	72,349	74,303
Permanently restricted	34,599	34,266
Total net assets	<u>357,386</u>	<u>408,321</u>
Total liabilities and net assets	<u>\$ 1,691,262</u>	<u>1,686,531</u>

**Dartmouth-Hitchcock Obligated Group**  
**Combined Statements of Operations and Changes**  
**in Unrestricted Net Assets**  
**For the Period Ended September 30, 2011**  
(000's Omitted)  
*Unaudited*

	<u>Qtr - to - Date</u>	<u>Year - to - Date</u>
<b>Unrestricted revenues and other support</b>		
Net patient service revenue	\$ 352,305	1,415,364
Medicaid Uncompensated Care Payment	-	41,693
Contracted revenue	15,733	62,119
Other operating revenue	21,459	46,398
Net assets released from restrictions	4,883	10,581
Total unrestricted revenues and other support	<u>394,380</u>	<u>1,576,155</u>
<b>Operating expenses</b>		
Salaries, contracted services and related employee benefits	238,042	959,997
Materials, supplies and other	108,855	422,318
Medicaid Enhancement Tax	6,529	43,491
Depreciation and amortization	16,723	70,468
Interest	4,712	20,185
Provision for bad debts	12,656	47,125
Total operating expenses	<u>387,517</u>	<u>1,563,584</u>
Operating margin before adjustments	6,863	12,571
Voluntary Early Retirement Program	15,781	15,781
Operating margin	(8,918)	(3,210)
<b>Nonoperating (losses)</b>	<u>(35,387)</u>	<u>(5,101)</u>
(Deficiency) of revenues over expenses	(44,305)	(8,311)
Change in unrealized net gains on investments	178	141
Net assets released from restrictions for capital acquisition	235	589
Transfer from related entity for capital acquisitions	-	55
Transfer to related entities	(1,232)	(2,847)
Change in funded status of pension and other postretirement benefits	(37,247)	(37,247)
Change in unrealized losses on interest rate swap	(7,768)	(1,694)
Interest accrued on settlement of swap agreement	(1,201)	(4,669)
Reclassification of interest to earnings	1,201	4,669
Change in unrestricted net assets	<u>\$ (90,139)</u>	<u>(49,314)</u>

**Dartmouth-Hitchcock Obligated Group**  
**Utilization Statistics**  
**For the Years Ended September 30, 2011 and 2010**

	<i>Unaudited</i> <u>September 30, 2011</u>	<i>Audited</i> <u>September 30, 2010</u>
Licensed Beds (as of this date)	658	658
Staffed Beds (as of this date)	570	576
Acute Care Discharges	38,111	37,938
Acute Patient Days	167,119	169,478
Occupancy (as a percentage of staffed beds)	80.3%	80.6%
Average Length of Stay (days)	4.4	4.5
Surgical Cases	27,954	28,692
Emergency Room Visits	95,787	98,552
Physician Office Visits	1,878,794	1,917,379

**Dartmouth-Hitchcock Obligated Group**  
**Summary Statement of Unrestricted Liquidity**  
**For the Period Ended September 30, 2011**  
(000's Omitted)  
*Unaudited*

**Summary of Maximum Annual Debt Service** *(Covenant >1.10x)*

Excess of Revenues over Expenses	\$	(8,311)
Less: excess realized gains over ordinary income and dividends		(7,094)
Add: change in net unrealized gains on investments		14,358
Add: change in unrealized ineffectiveness on hedge		553
Excluded from expenses:		
Depreciation and amortization		70,762
Interest expense on long-term indebtedness - operating expense		20,185
Interest expense on long-term indebtedness - non-operating revenue		2,968
Interest expense related to swap agreements		(4,669)
Income Available for Debt Service	\$	<u>88,752</u>
Maximum Annual Debt Service	\$	<u>41,928</u>
Coverage of Maximum Annual Debt Service (x)		<u>2.12</u>

**Summary Days Cash on Hand** *(Covenant > 75; No DSRF required if >120 days)*

	<u>Qtr - to - Date</u>	<u>Year - to - Date</u>
Cash and cash equivalents per MTI	\$ 55,861	55,861
Investments included in current assets	35,391	35,391
Assets whose use is limited by Board Designation	<u>472,474</u>	<u>472,474</u>
Total Unrestricted Cash	\$ <u>563,726</u>	<u>563,726</u>
Days cash on hand	<u>140</u>	<u>138</u>

**Cushion Ratio** *(No DSRF required if >2.00, at year end)*

Cash and cash equivalents per MTI	\$	55,861
Investments included in current assets		35,391
Assets whose use is limited by Board Designation		<u>472,474</u>
Total Unrestricted Cash	\$	<u>563,726</u>
Maximum Annual Debt Service	\$	<u>41,928</u>
Cushion ratio		<u>13.4</u>



Dartmouth-Hitchcock Obligated Group  
Summary Statement of Unrestricted Liquidity (continued)  
For the Period Ended September 30, 2011  
(000's Omitted)  
Unaudited

**Supplemental Rate Covenant** *(No DSRF required if >2.00x, at year end)*

**(Annual long term debt service coverage ratio)**

Excess of revenues over expenses	\$ (8,311)
Less: excess realized gains over ordinary income and dividends	(7,094)
Add: change in net unrealized gains on investments	14,358
Add: change in unrealized ineffectiveness on hedge	553
Excluded from expenses:	
Depreciation and amortization	70,762
Interest expense on long-term indebtedness - operating expense	20,185
Interest expense on long-term indebtedness - non-operating revenue	2,968
Interest expense related to swap agreements	(4,669)
	<hr/>
Aggregate Income Available for Debt Service	\$ 88,752
	<hr/>
Annual Debt Service	\$ 41,928
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Supplemental Rate Covenant	2.12
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**Debt to Capitalization**

Total Long-Term Debt, Less Current Portion	\$ 499,206
Unrestricted Net Assets	250,438
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Total Capitalization	\$ 749,644
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Net Long-Term Debt as a Percentage of Total Capitalization	66.6%
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**Dartmouth-Hitchcock Obligated Group**  
**Combining Balance Sheets**  
**September 30, 2011**  
**(000's Omitted)**  
*Unaudited*

	<u>CVMC</u>	<u>CDH</u>	<u>D-H</u>	<u>D-H Obligated Group Combined</u>
<b>Assets</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ 7,936	2,889	50,778	61,603
Investments	-	35,391	-	35,391
Patient accounts receivable, net	16,352	12,525	154,294	183,171
Current portion of trustee-held assets	822	-	-	822
Prepaid expenses and other current assets	6,876	3,771	84,517	95,164
Total current assets	<u>31,986</u>	<u>54,576</u>	<u>289,589</u>	<u>376,151</u>
<b>Assets limited as to use</b>				
Internally designated by board	29,467	58,542	384,465	472,474
Held by captive insurance company	-	-	88,309	88,309
Under bond indenture agreement - held by trustee	822	9	24,614	25,445
	<u>30,289</u>	<u>58,551</u>	<u>497,388</u>	<u>586,228</u>
Less current portion of trustee-held assets	822	-	-	822
Total assets limited as to use	<u>29,467</u>	<u>58,551</u>	<u>497,388</u>	<u>585,406</u>
<b>Other investments for temporarily and permanently restricted activities</b>	9,230	-	95,943	105,173
Property, plant and equipment, net	69,352	76,090	424,347	569,789
Other assets	1,641	7,486	45,616	54,743
Total assets	<u>\$ 141,676</u>	<u>196,703</u>	<u>1,352,883</u>	<u>1,691,262</u>
<b>Liabilities and Net Assets</b>				
<b>Current Liabilities</b>				
Current portion of long-term debt	\$ 3,236	3,238	9,698	16,172
Current portion of liability for pension and other postretirement plan benefits	-	-	7,623	7,623
Accounts payable and accrued expenses	4,819	11,124	68,768	84,711
Accrued compensation and related benefits	6,718	7,108	99,373	113,199
Estimated third-party settlements	2,264	8,287	22,490	33,041
Total current liabilities	<u>17,037</u>	<u>29,757</u>	<u>207,952</u>	<u>254,746</u>
Long-term debt, excluding current portion	28,227	62,456	408,523	499,206
Insurance deposits and related liabilities	-	-	95,180	95,180
Interest rate swaps	-	-	26,768	26,768
Liability for pension and other postretirement plan benefits	43,272	38,605	371,556	453,433
Other liabilities	1,030	3,513	-	4,543
Total liabilities	<u>89,566</u>	<u>134,331</u>	<u>1,109,979</u>	<u>1,333,876</u>
<b>Net assets</b>				
Unrestricted	42,974	55,559	151,905	250,438
Temporarily restricted	6,035	6,303	60,011	72,349
Permanently restricted	3,101	510	30,988	34,599
Total net assets	<u>52,110</u>	<u>62,372</u>	<u>242,904</u>	<u>357,386</u>
Total liabilities and net assets	<u>\$ 141,676</u>	<u>196,703</u>	<u>1,352,883</u>	<u>1,691,262</u>

**Dartmouth-Hitchcock Obligated Group**  
**Combining Statements of Operations and Changes**  
**in Unrestricted Net Assets**  
**For the Period Ended September 30, 2011**  
**(000's Omitted)**  
*Unaudited*

	<u>CVMC</u>	<u>CDH</u>	<u>D-H</u>	<u>D-H Obligated Group Combined</u>
<b>Unrestricted revenues and other support</b>				
Net patient service revenue	\$ 142,177	156,877	1,116,310	1,415,364
Medicaid Uncompensated Care Payment	-	-	41,693	41,693
Contracted revenue	-	-	62,119	62,119
Other operating revenue	4,259	3,228	38,911	46,398
Net assets released from restrictions	-	-	10,581	10,581
Total unrestricted revenues and other support	<u>146,436</u>	<u>160,105</u>	<u>1,269,614</u>	<u>1,576,155</u>
<b>Operating expenses</b>				
Salaries, contracted services and related employee benefits	92,658	80,996	786,343	959,997
Materials, supplies and other	37,700	52,277	332,341	422,318
Medicaid Enhancement Tax	-	-	43,491	43,491
Depreciation and amortization	8,612	12,237	49,619	70,468
Interest	1,660	2,431	16,094	20,185
Provision for bad debts	4,820	3,182	39,123	47,125
Total operating expenses	<u>145,450</u>	<u>151,123</u>	<u>1,267,011</u>	<u>1,563,584</u>
Operating margin before adjustments	986	8,982	2,603	12,571
Voluntary Early Retirement Program	-	-	15,781	15,781
Operating margin	986	8,982	(13,178)	(3,210)
<b>Nonoperating gains (losses)</b>	<u>716</u>	<u>(470)</u>	<u>(5,347)</u>	<u>(5,101)</u>
Excess (deficiency) of revenues over expenses	1,702	8,512	(18,525)	(8,311)
Change in unrealized net gains on investments	-	141	-	141
Net assets released from restrictions for capital acquisition	200	165	224	589
Transfer from related entity for capital acquisitions	-	55	-	55
Transfer to related entities	-	(2,847)	-	(2,847)
Change in funded status of pension and other postretirement benefits	(1,316)	(9,946)	(25,985)	(37,247)
Change in unrealized losses on interest rate swap	-	-	(1,694)	(1,694)
Interest accrued on settlement of swap agreement	-	-	(4,669)	(4,669)
Reclassification of interest to earnings	-	-	4,669	4,669
Change in unrestricted net assets	<u>\$ 586</u>	<u>(3,920)</u>	<u>(45,980)</u>	<u>(49,314)</u>

**Dartmouth-Hitchcock Obligated Group**  
**Combining Statements of Operations and Changes**  
**in Unrestricted Net Assets**  
**For the Quarter Ended September 30, 2011**  
(000's Omitted)  
*Unaudited*

	CVMC	CDH	D-H	D-H Obligated Group Combined
<b>Unrestricted revenues and other support</b>				
Net patient service revenue	\$ 35,744	37,908	278,653	352,305
Medicaid Uncompensated Care Payment	-	-	-	-
Contracted revenue	-	-	15,733	15,733
Other operating revenue	2,314	789	18,356	21,459
Net assets released from restrictions	-	-	4,883	4,883
<b>Total unrestricted revenues and other support</b>	<b>38,058</b>	<b>38,697</b>	<b>317,625</b>	<b>394,380</b>
<b>Operating expenses</b>				
Salaries, contracted services and related employee benefits	23,137	20,639	194,266	238,042
Materials, supplies and other	10,648	14,014	84,193	108,855
Medicaid Enhancement Tax	-	-	6,529	6,529
Depreciation and amortization	2,257	2,525	11,941	16,723
Interest	415	313	3,984	4,712
Provision for bad debts	1,808	313	10,535	12,656
<b>Total operating expenses</b>	<b>38,265</b>	<b>37,804</b>	<b>311,448</b>	<b>387,517</b>
<b>Operating margin before adjustments</b>	<b>(207)</b>	<b>893</b>	<b>6,177</b>	<b>6,863</b>
<b>Voluntary Early Retirement Program</b>	<b>-</b>	<b>-</b>	<b>15,781</b>	<b>15,781</b>
<b>Operating margin</b>	<b>(207)</b>	<b>893</b>	<b>(9,604)</b>	<b>(8,918)</b>
<b>Nonoperating (losses) gains</b>	<b>(1,849)</b>	<b>129</b>	<b>(33,667)</b>	<b>(35,387)</b>
<b>(Deficiency) excess of revenues over expenses</b>	<b>(2,056)</b>	<b>1,022</b>	<b>(43,271)</b>	<b>(44,305)</b>
<b>Change in unrealized net gains on investments</b>	<b>30</b>	<b>148</b>	<b>-</b>	<b>178</b>
<b>Net assets released from restrictions for capital acquisition</b>	<b>200</b>	<b>-</b>	<b>35</b>	<b>235</b>
<b>Transfer from (to) related entities</b>	<b>5</b>	<b>(1,237)</b>	<b>-</b>	<b>(1,232)</b>
<b>Change in funded status of pension and other postretirement benefits</b>	<b>(1,316)</b>	<b>(9,946)</b>	<b>(25,985)</b>	<b>(37,247)</b>
<b>Change in unrealized losses on interest rate swap</b>	<b>-</b>	<b>-</b>	<b>(7,768)</b>	<b>(7,768)</b>
<b>Interest accrued on settlement of swap agreement</b>	<b>-</b>	<b>-</b>	<b>(1,201)</b>	<b>(1,201)</b>
<b>Reclassification of interest to earnings</b>	<b>-</b>	<b>-</b>	<b>1,201</b>	<b>1,201</b>
<b>Change in unrestricted net assets</b>	<b>\$ (3,137)</b>	<b>(10,013)</b>	<b>(76,989)</b>	<b>(90,139)</b>

**Dartmouth-Hitchcock Obligated Group**  
**Combining Balance Sheets**  
**September 30, 2010**  
**(000's Omitted)**  
*Audited*

Assets	CVMC	CDH	D-H	D-H Obligated Group Combined
<b>Current assets:</b>				
Cash and cash equivalents	\$ 9,033	24,226	43,423	76,682
Investments	-	6,543	-	6,543
Patient accounts receivable, net	14,682	14,260	165,056	193,998
Current portion of trustee-held assets	805	-	6,575	7,380
Prepaid expenses and other current assets	5,578	3,969	55,887	65,434
Total current assets	<u>30,098</u>	<u>48,998</u>	<u>270,941</u>	<u>350,037</u>
<b>Assets limited as to use:</b>				
Internally designated by board	28,062	50,127	394,595	472,784
Investments held by captive	-	-	88,309	88,309
Under bond indenture agreement – held by trustee	805	864	78,916	80,585
By bank loan	3,594	-	-	3,594
	<u>32,461</u>	<u>50,991</u>	<u>561,820</u>	<u>645,272</u>
Less current portion of trustee-held assets	805	-	6,575	7,380
Total assets limited as to use	<u>31,656</u>	<u>50,991</u>	<u>555,245</u>	<u>637,892</u>
<b>Other investments for temporarily and permanently restricted activities</b>	9,900	-	93,719	103,619
<b>Property, plant, and equipment, net</b>	67,032	84,780	390,470	542,282
<b>Other assets</b>	1,830	7,294	43,577	52,701
Total assets	<u>\$ 140,516</u>	<u>192,063</u>	<u>1,353,952</u>	<u>1,686,531</u>
<b>Liabilities and Net Assets</b>				
<b>Current liabilities:</b>				
Current portion of long-term debt	\$ 3,173	2,817	9,566	15,556
Current portion of liability for pension and other postretirement plan benefits	-	-	3,896	3,896
Accounts payable and accrued expenses	4,680	12,395	61,519	78,594
Accrued compensation and related benefits	6,148	7,043	83,569	96,760
Estimated third-party settlements	1,732	8,019	25,221	34,972
Total current liabilities	<u>15,733</u>	<u>30,274</u>	<u>183,771</u>	<u>229,778</u>
<b>Long-term debt, excluding current portion</b>	31,438	65,577	423,082	520,097
<b>Insurance deposits and related liabilities</b>	-	-	95,180	95,180
<b>Interest rate swaps</b>	-	-	28,589	28,589
<b>Liability for pension and other postretirement plan benefits</b>	39,951	29,084	332,094	401,129
<b>Other liabilities</b>	1,182	2,255	-	3,437
Total liabilities	<u>88,304</u>	<u>127,190</u>	<u>1,062,716</u>	<u>1,278,210</u>
<b>Net assets:</b>				
Unrestricted	42,388	59,479	197,885	299,752
Temporarily restricted	6,723	4,884	62,696	74,303
Permanently restricted	3,101	510	30,655	34,266
Total net assets	<u>52,212</u>	<u>64,873</u>	<u>291,236</u>	<u>408,321</u>
<b>Total liabilities and net assets</b>	<u>\$ 140,516</u>	<u>192,063</u>	<u>1,353,952</u>	<u>1,686,531</u>

**Central Vermont Medical Center, Inc.**  
**Balance Sheets**  
**September 30, 2011 and 2010**  
(000's Omitted)

Exhibit A  
Page 1 of 3

	<i>Unaudited</i> Sept. 30, 2011	<i>Audited</i> Sept. 30, 2010
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 7,936	9,033
Patient accounts receivable, net	16,352	14,682
Current portion of trustee-held assets	822	805
Prepaid expenses and other current assets	6,876	5,578
Total current assets	<u>31,986</u>	<u>30,098</u>
<b>Assets limited as to use</b>		
Internally designated by board	29,467	28,062
Under bond indenture agreement - held by trustee	822	805
By bank loan	-	3,594
	<u>30,289</u>	<u>32,461</u>
Less current portion of trustee-held assets	822	805
Total assets limited as to use	<u>29,467</u>	<u>31,656</u>
<b>Other investments for temporarily and permanently restricted activities</b>		
	9,230	9,900
Property, plant and equipment, net	69,352	67,032
Other assets	1,641	1,830
Total assets	<u>\$ 141,676</u>	<u>140,516</u>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Current portion of long-term debt	\$ 3,236	3,173
Accounts payable and accrued expenses	4,819	4,680
Accrued compensation and related benefits	6,718	6,148
Estimated third-party settlements	2,264	1,732
Total current liabilities	<u>17,037</u>	<u>15,733</u>
Long-term debt, excluding current portion	28,227	31,438
Liability for pension and other postretirement plan benefits	43,272	39,951
Other liabilities	1,030	1,182
Total liabilities	<u>89,566</u>	<u>88,304</u>
<b>Net assets</b>		
Unrestricted	42,974	42,388
Temporarily restricted	6,035	6,723
Permanently restricted	3,101	3,101
Total net assets	<u>52,110</u>	<u>52,212</u>
Total liabilities and net assets	<u>\$ 141,676</u>	<u>140,516</u>

Central Vermont Medical Center, Inc.  
Combined Statements of Operations and Changes  
in Unrestricted Net Assets  
For the Period Ended September 30, 2011  
(000's Omitted)  
Unaudited

Exhibit A  
Page 2 of 3

	<u>Qtr - to - Date</u>	<u>Year - to - Date</u>
<b>Unrestricted revenues and other support</b>		
Net patient service revenue	\$ 35,744	142,177
Other operating revenue	<u>2,314</u>	<u>4,259</u>
Total unrestricted revenues and other support	<u>38,058</u>	<u>146,436</u>
<b>Operating expenses</b>		
Salaries, contracted services and related employee benefits	23,137	92,658
Materials, supplies and other	10,648	37,700
Depreciation and amortization	2,257	8,612
Interest	415	1,660
Provision for bad debts	<u>1,808</u>	<u>4,820</u>
Total operating expenses	<u>38,265</u>	<u>145,450</u>
Operating margin	(207)	986
Nonoperating (losses) gains	<u>(1,849)</u>	<u>716</u>
(Deficiency) excess of revenues over expenses	(2,056)	1,702
Change in unrealized net gains on investments	30	-
Net assets released from restrictions for capital acquisition	200	200
Transfer from related entities	5	-
Change in funded status of pension and other postretirement benefits	<u>(1,316)</u>	<u>(1,316)</u>
Change in unrestricted net assets	<u>\$ (3,137)</u>	<u>586</u>

**Central Vermont Medical Center, Inc.**  
**Utilization Statistics**  
**For the Nine Months Ended June 30, 2011**  
**For the Years Ended September 30, 2011 and 2010**

Exhibit A  
Page 3 of 3

	<i>Unaudited</i> <u>September 30, 2011</u>	<i>Audited</i> <u>September 30, 2010</u>
Licensed Beds (as of this date)	122	122
Staffed Beds (as of this date)	86	86
Acute Care Discharges	4,567	4,646
Acute Patient Days	16,673	16,444
Occupancy (as a percentage of staffed beds)	53.1%	52.4%
Average Length of Stay (days)	3.7	3.5
Surgical Cases	3,806	4,062
Emergency Room Visits	28,340	29,845
Physician Office Visits	142,109	128,507

**Sources of Revenue:**

The following table categorizes payors into five groups and their respective percentages of gross patient service revenue.

<u>Payor</u>		
Medicare	40%	38%
Blue Cross	7%	7%
Commercial Insurance	29%	27%
Medicaid	20%	20%
Other	4%	8%
	<u>100%</u>	<u>100%</u>



**Cooley Dickinson Hospital, Inc.**  
**Balance Sheets**  
**September 30, 2011 and 2010**  
(000's Omitted)

Exhibit B  
Page 1 of 3

	<i>Unaudited</i> Sept. 30, 2011	<i>Audited</i> Sept. 30, 2010
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 2,889	24,226
Investments	35,391	6,543
Patient accounts receivable, net	12,525	14,260
Current portion of trustee-held assets	-	-
Prepaid expenses and other current assets	3,771	3,969
Total current assets	<u>54,576</u>	<u>48,998</u>
<b>Assets limited as to use</b>		
Internally designated by board	58,542	50,127
Under bond indenture agreement - held by trustee	9	864
	<u>58,551</u>	<u>50,991</u>
Less current portion of trustee-held assets	-	-
Total assets limited as to use	<u>58,551</u>	<u>50,991</u>
Property, plant and equipment, net	76,090	84,780
Other assets	7,486	7,294
Total assets	<u>\$ 196,703</u>	<u>192,063</u>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Current portion of long-term debt	\$ 3,238	2,817
Accounts payable and accrued expenses	11,124	12,395
Accrued compensation and related benefits	7,108	7,043
Estimated third-party settlements	8,287	8,019
Total current liabilities	<u>29,757</u>	<u>30,274</u>
Long-term debt, excluding current portion	62,456	65,577
Liability for pension and other postretirement plan benefits	38,605	29,084
Other liabilities	3,513	2,255
Total liabilities	<u>134,331</u>	<u>127,190</u>
<b>Net assets</b>		
Unrestricted	55,559	59,479
Temporarily restricted	6,303	4,884
Permanently restricted	510	510
Total net assets	<u>62,372</u>	<u>64,873</u>
Total liabilities and net assets	<u>\$ 196,703</u>	<u>192,063</u>

**Cooley Dickinson Hospital, Inc.**  
**Combined Statements of Operations and Changes**  
**in Unrestricted Net Assets**  
**For the Period Ended September 30, 2011**  
(000's Omitted)  
*Unaudited*

Exhibit B  
Page 2 of 3

	<u>Qtr - to - Date</u>	<u>Year - to - Date</u>
<b>Unrestricted revenues and other support</b>		
Net patient service revenue	\$ 37,908	156,877
Other operating revenue	<u>789</u>	<u>3,228</u>
Total unrestricted revenues and other support	<u>38,697</u>	<u>160,105</u>
<b>Operating expenses</b>		
Salaries, contracted services and related employee benefits	20,639	80,996
Materials, supplies and other	14,014	52,277
Depreciation and amortization	2,525	12,237
Interest	313	2,431
Provision for bad debts	<u>313</u>	<u>3,182</u>
Total operating expenses	<u>37,804</u>	<u>151,123</u>
 Operating margin	 893	 8,982
 Nonoperating gains (losses)	 <u>129</u>	 <u>(470)</u>
 Excess of revenues over expenses	 1,022	 8,512
 Change in unrealized net gains on investments	 148	 141
Net assets released from restrictions for capital acquisition	-	165
Transfer from related entity for capital acquisitions	-	55
Transfer to related entities	(1,237)	(2,847)
Change in funded status of pension and other postretirement benefits	<u>(9,946)</u>	<u>(9,946)</u>
 Change in unrestricted net assets	 \$ <u><u>(10,013)</u></u>	 <u><u>(3,920)</u></u>

**Cooley Dickinson Hospital, Inc.**  
**Utilization Statistics**  
**For the Nine Months Ended June 30, 2011**  
**For the Years Ended September 30, 2011 and 2010**

Exhibit B  
Page 3 of 3

	<i>Unaudited</i> <u>September 30, 2011</u>	<i>Audited</i> <u>September 30, 2010</u>
Licensed Beds (as of this date)	140	140
Staffed Beds (as of this date)	103	118
Acute Care Discharges	9,647	9,391
Acute Patient Days	31,463	33,371
Occupancy (as a percentage of staffed beds)	83.7%	77.5%
Average Length of Stay (days)	3.3	3.6
Surgical Cases	4,835	5,225
Emergency Room Visits	36,152	37,118

**Sources of Revenue:**

The following table categorizes payors into five groups and their respective percentages of gross patient service revenue.

<u>Payor</u>		
Medicare	39%	38%
Blue Cross	9%	8%
Commercial Insurance	36%	38%
Medicaid	9%	10%
Other	7%	6%
	<u>100%</u>	<u>100%</u>

**Dartmouth-Hitchcock**  
**Balance Sheets**  
**September 30, 2011 and 2010**  
(000's Omitted)

Exhibit C  
Page 1 of 3

	<i>Unaudited</i> Sept. 30, 2011	<i>Audited</i> Sept. 30, 2010
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 50,778	43,423
Patient accounts receivable, net	154,294	165,056
Current portion of trustee-held assets	-	6,575
Prepaid expenses and other current assets	84,517	55,887
Total current assets	<u>289,589</u>	<u>270,941</u>
<b>Assets limited as to use</b>		
Internally designated by board	384,465	394,595
Held by captive insurance company	88,309	88,309
Under bond indenture agreement - held by trustee	24,614	78,916
	<u>497,388</u>	<u>561,820</u>
Less current portion of trustee-held assets	-	6,575
Total assets limited as to use	<u>497,388</u>	<u>555,245</u>
<b>Other investments for temporarily and permanently restricted activities</b>		
	95,943	93,719
Property, plant and equipment, net	424,347	390,470
Other assets	45,616	43,577
Total assets	<u>\$ 1,352,883</u>	<u>1,353,952</u>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Current portion of long-term debt	\$ 9,698	9,566
Current portion of liability for pension and other postretirement plan benefits	7,623	3,896
Accounts payable and accrued expenses	68,768	61,519
Accrued compensation and related benefits	99,373	83,569
Estimated third-party settlements	22,490	25,221
Total current liabilities	<u>207,952</u>	<u>183,771</u>
Long-term debt, excluding current portion	408,523	423,082
Insurance deposits and related liabilities	95,180	95,180
Interest rate swaps	26,768	28,589
Liability for pension and other postretirement plan benefits	371,556	332,094
Total liabilities	<u>1,109,979</u>	<u>1,062,716</u>
<b>Net assets</b>		
Unrestricted	151,905	197,885
Temporarily restricted	60,011	62,696
Permanently restricted	30,988	30,655
Total net assets	<u>242,904</u>	<u>291,236</u>
Total liabilities and net assets	<u>\$ 1,352,883</u>	<u>1,353,952</u>

**Dartmouth-Hitchcock**  
**Combined Statements of Operations and Changes**  
**in Unrestricted Net Assets**  
**For the Period Ended September 30, 2011**  
(000's Omitted)  
*Unaudited*

Exhibit C  
Page 2 of 3

	<u>Qtr - to - Date</u>	<u>Year - to - Date</u>
<b>Unrestricted revenues and other support</b>		
Net patient service revenue	\$ 278,653	1,116,310
Medicaid Uncompensated Care Payment	-	41,693
Contracted revenue	15,733	62,119
Other operating revenue	18,356	38,911
Net assets released from restrictions	4,883	10,581
Total unrestricted revenues and other support	<u>317,625</u>	<u>1,269,614</u>
<b>Operating expenses</b>		
Salaries, contracted services and related employee benefits	194,266	786,343
Materials, supplies and other	84,193	332,341
Medicaid Enhancement Tax	6,529	43,491
Depreciation and amortization	11,941	49,619
Interest	3,984	16,094
Provision for bad debts	10,535	39,123
Total operating expenses	<u>311,448</u>	<u>1,267,011</u>
Operating margin before adjustments	6,177	2,603
Voluntary Early Retirement Program	15,781	15,781
Operating margin	<u>(9,604)</u>	<u>(13,178)</u>
<b>Nonoperating losses</b>	(33,667)	(5,347)
Deficiency of revenues over expenses	<u>(43,271)</u>	<u>(18,525)</u>
<b>Net assets released from restrictions for capital acquisition</b>	35	224
<b>Change in funded status of pension and other postretirement benefits</b>	(25,985)	(25,985)
<b>Change in unrealized losses on interest rate swaps</b>	(7,768)	(1,694)
<b>Interest accrued on settlement of swap agreement</b>	(1,201)	(4,669)
<b>Reclassification of interest to earnings</b>	1,201	4,669
Change in unrestricted net assets	<u>\$ (76,989)</u>	<u>(45,980)</u>

**Dartmouth-Hitchcock  
Utilization Statistics  
For the Nine Months Ended June 30, 2011  
For the Years Ended September 30, 2011 and 2010**

Exhibit C  
Page 3 of 3

	<i>Unaudited</i> <u>September 30, 2011</u>	<i>Audited</i> <u>September 30, 2010</u>
Licensed Beds (as of this date)	396	396
Staffed Beds (as of this date)	381	372
Acute Care Discharges	23,897	23,901
Acute Patient Days	118,983	119,663
Occupancy (as a percentage of staffed beds)	85.6%	88.1%
Average Length of Stay (days)	5.0	5.0
Surgical Cases	19,313	19,405
Emergency Room Visits	31,295	31,589
Office Visits	1,736,685	1,788,872

**Sources of Revenue:**

The following table categorizes payors into five groups and their respective percentages of gross patient service revenue.

<u>Payor</u>		
Medicare	36%	35%
Blue Cross	23%	24%
Commercial Insurance	24%	24%
Medicaid	13%	13%
Other	4%	4%
	<u>100%</u>	<u>100%</u>