Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No. 1545-0047

2011

Open to Public Inspection

A For the 2011 calendar year, or tax year beginning 07/01, **2011, and ending** 06/30, **20** 12

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

C Name of organization: RUMFORD HOSPITAL

Doing Business As

Number and street (or P.O. box if mail is not delivered to street address): 420 FRANKLIN STREET | Room/suite

City or town, state or country, and ZIP + 4: RUMFORD, ME 04276

D Employer identification number 01-0215227

E Telephone number (207) 795-2972

G Gross receipts $ 38,302,053.

F Name and address of principal officer: R. DAVID FRUM
420 FRANKLIN STREET RUMFORD, ME 04276

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

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

H(c) Group exemption number ▶

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

J Website: ▶ WWW.RUMFORDHOSPITAL.ORG

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

L Year of formation: 1974 **M** State of legal domicile: ME

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities:
RUMFORD HOSPITAL STRIVES TO PROVIDE EXCEPTIONAL HEALTHCARE SERVICES. THE HOSPITAL DEPENDS ON THE EXPERTISE OF ITS CAREGIVERS IN ADDITION TO THE COMMITMENT AND COMPASSION THEY PROVIDE TO FULFILL ITS MISSION.

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

3	Number of voting members of the governing body (Part VI, line 1a)	3	8.
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	7.
5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	5	346.
6	Total number of volunteers (estimate if necessary)	6	50.
7a	Total gross unrelated business revenue from Part VIII, column (C), line 12	7a	0
b	Net unrelated business taxable income from Form 990-T, line 34	7b	0

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			Prior Year	Current Year
Revenue	8	Contributions and grants (Part VIII, line 1h)	146,601.	125,819.
	9	Program service revenue (Part VIII, line 2g)	39,320,253.	37,475,529.
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	155,516.	116,143.
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	-101,119.	-38,948.
	12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	39,521,251.	37,678,543.
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	17,000.	10,000.
	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)	16,060,506.	16,722,232.
	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-24f)	18,789,164.	21,181,377.
	18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	34,866,670.	37,913,609.
	19	Revenue less expenses. Subtract line 18 from line 12	4,654,581.	-235,066.
			Beginning of Current Year	**End of Year**
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	23,384,186.	26,151,909.
	21	Total liabilities (Part X, line 26)	4,293,450.	7,453,217.
	22	Net assets or fund balances. Subtract line 21 from line 20	19,090,736.	18,698,692.

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

▶ Matthew E. Cox — Signature of officer — Date 5-14-13

▶ Matthew E. Cox, 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
Brian D Todd	Brian D Todd, CPA	5/8/13		P00422601

Firm's name ▶ BKD, LLP — EIN ▶ 44-0160260

Firm's address ▶ 910 E ST LOUIS #200/PO BOX 1190 SPRINGFIELD, MO 65806-2523 — Phone no. ▶ 417 865-8701

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

For Paperwork Reduction Act Notice, see the separate instructions.

Form **990** (2010)

JSA
1E1065 1.000

Part III **Statement of Program Service Accomplishments**

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

1 Briefly describe the organization's mission:

TO PROVIDE EXCEPTIONAL HEALTHCARE SERVICES IN A SAFE AND TRUSTFUL ENVIRONMENT THROUGH THE EXPERTISE, COMMITMENT AND COMPASSION OF OUR FAMILY OF CAREGIVERS.

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

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

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

If "Yes," describe these changes on Schedule O.

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

4a (Code: _____) (Expenses $ 30,271,800. including grants of $ _____) (Revenue $ 37,475,529.)

RUMFORD HOSPITAL IS A CRITICAL ACCESS HOSPITAL, PROVIDING COMPREHENSIVE PRIMARY CARE AND SOPHISTICATED DIAGNOSTIC SERVICES, INCLUDING CT SCANNING, ULTRASOUND AND NUCLEAR MEDICINE. THE HOSPITAL OFFERS MEDICAL SURGICAL NURSING SERVICES, A BIRTHING CENTER, WOMEN'S HEALTH SERVICES AND AMBULATORY SURGERY. THE SWING BED PROGRAM PROVIDES CARE FOR PATIENTS WHO NEED SKILLED NURSING SERVICES. RUMFORD HOSPITAL ALSO MAINTAINS A 24 HOUR EMERGENCY DEPARTMENT AND STAFFS AN INTENSIVE CARE UNIT.

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 ▶ 30,271,800.

Part IV Checklist of Required Schedules

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

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
21	Did the organization report more than $5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21	X	
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22		X
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	23	X	
24 a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25*	24a		X
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
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		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25 a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		X
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	25b		X
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	26		X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	27		X
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28a		X
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28b		X
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	28c		X
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29		X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? *If "Yes," complete Schedule R, Part I*	33		X
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	34	X	
35 a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a		X
b	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	35b		X
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36		X
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		X
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O.	38	X	

Part V **Statements Regarding Other IRS Filings and Tax Compliance**

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

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a	44		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			1c	X	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	346			
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?			2b	X	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file* (see instructions)					
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?			3a		X
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*			3b		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?			4a		X
b	If "Yes," enter the name of the foreign country: ▶ _____ See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.					
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?			5a		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			5b		X
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?			5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?			6a		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			6b		
7	**Organizations that may receive deductible contributions under section 170(c).**					
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?			7a		X
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?			7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			7c		X
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d				
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			7e		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?			7f		X
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			7g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			7h		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			8		
9	**Sponsoring organizations maintaining donor advised funds.**					
a	Did the organization make any taxable distributions under section 4966?			9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?			9b		
10	**Section 501(c)(7) organizations.** Enter:					
a	Initiation fees and capital contributions included on Part VIII, line 12	10a				
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b				
11	**Section 501(c)(12) organizations.** Enter:					
a	Gross income from members or shareholders	11a				
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b				
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?			12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b				
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**					
a	Is the organization licensed to issue qualified health plans in more than one state?			13a		
	Note. See the instructions for additional information the organization must report on Schedule O.					
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b				
c	Enter the amount of reserves on hand	13c				
14a	Did the organization receive any payments for indoor tanning services during the tax year?			14a		X
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O*			14b		

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

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

Section A. Governing Body and Management

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

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

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

Section C. Disclosure

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

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

[ ] Own website [ ] Another's website [X] Upon request

19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ▶ PHIL MORISSETTE 29 LOWELL STREET LEWISTON, ME 04240 207-795-2972

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee): Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former	(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
(1) PETER E. CHALKE PRESIDENT OF CMHC	1.00	X		X				0	811,982.	439,996.
(2) STUART R. COOPER DIRECTOR	1.00	X						0	0	0
(3) JOLAN IPPOLITO CHAIRMAN	1.00	X		X				0	0	0
(4) ROGER ARSENAULT DIRECTOR	1.00	X						0	0	0
(5) RICHARD LOVEJOY SECRETARY/TREASURER	1.00	X		X				0	0	0
(6) JOSEPH A. POIRIER DIRECTOR THROUGH 6/12	1.00	X						0	0	0
(7) ROBERT STICKNEY VICE CHAIRMAN	1.00	X		X				0	0	0
(8) LINDA CAMERON, O.D. DIRECTOR	1.00	X						0	0	0
(9) DAVID DUGUAY DIRECTOR	1.00	X						0	0	0
(10) R. DAVID FRUM PRESIDENT	27.50			X				0	279,318.	43,650.
(11) JOHN KROGER, M.D. DIVISION CHIEF	55.00				X			253,182.	0	24,468.
(12) JACOB LEDESMA, M.D. PHYSICIAN	55.00					X		406,407.	0	26,070.
(13) THOMAS DELUCA, M.D. PHYSICIAN	55.00					X		333,298.	0	20,338.
(14) DIETER KRECKEL, M.D. PHYSICIAN	55.00					X		282,063.	0	24,599.

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

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee): Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former	(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
(15) CAROLYN GARCIA, M.D. PHYSICIAN	55.00					X		356,056.	0	40,790.
(16) SAID DAOUD, M.D. PHYSICIAN	55.00					X		291,718.	0	18,269.
(17) JOHN WELSH FORMER PRESIDENT	0						X	0	242,183.	31,874.
1b Sub-total ▶								1,274,950.	1,091,300.	579,121.
c Total from continuation sheets to Part VII, Section A ▶								647,774.	242,183.	90,933.
d Total (add lines 1b and 1c) ▶								1,922,724.	1,333,483.	670,054.

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 ▶ 21

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
CPS, INC. ATLANTA, GA 30368	MEDICAL SERVICES	432,387.
GE HEALTHCARE PITTSBURGH, PA 15264	MAINTENANCE SERVICES	373,283.
VISTA STAFFING SOLUTIONS LOS ANGELES, CA 90074	MEDICAL STAFFING	217,642.
NURSE ANESTHESIA OF MAINE, LLC BREWER, ME 04412	MEDICAL STAFFING	185,324.
TRI COUNTY MENTAL HEALTH SERVICES LEWISTON, ME 04241	MEDICAL STAFFING	139,162.

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 in compensation from the organization ▶ 10

Part VIII Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, Gifts, Grants and Other Similar Amounts	1a Federated campaigns	1a				
	b Membership dues	1b				
	c Fundraising events	1c				
	d Related organizations	1d				
	e Government grants (contributions)	1e	31,046.			
	f All other contributions, gifts, grants, and similar amounts not included above	1f	94,773.			
	g Noncash contributions included in lines 1a-1f: $					
	h **Total.** Add lines 1a-1f ▶		125,819.			
Program Service Revenue		**Business Code**				
	2a NET PATIENT SERVICE REVENUE	900099	36,559,171.	36,559,171.		
	b CAFETERIA REVENUE	722210	84,006.	84,006.		
	c OTHER REVENUE	900099	832,352.	832,352.		
	d					
	e					
	f All other program service revenue					
	g **Total.** Add lines 2a-2f ▶		37,475,529.			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts) ▶		73,786.			73,786.
	4 Income from investment of tax-exempt bond proceeds ▶		0			
	5 Royalties ▶		0			
		(i) Real	(ii) Personal			
	6a Gross rents	1,900.				
	b Less: rental expenses	40,848.				
	c Rental income or (loss)	-38,948.				
	d Net rental income or (loss) ▶		-38,948.			-38,948.
		(i) Securities	(ii) Other			
	7a Gross amount from sales of assets other than inventory	611,919.	13,100.			
	b Less: cost or other basis and sales expenses	578,902.	3,760.			
	c Gain or (loss)	33,017.	9,340.			
	d Net gain or (loss) ▶		42,357.			42,357.
	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 ▶		0			
	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 ▶		0			
	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 ▶		0			
	Miscellaneous Revenue	**Business Code**				
	11a					
	b					
	c					
	d All other revenue					
	e **Total.** Add lines 11a-11d ▶		0			
	12 **Total revenue.** See instructions ▶		37,678,543.	37,475,529.		77,195.

Part IX Statement of Functional Expenses

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

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21	10,000.	10,000.		
2 Grants and other assistance to individuals in the United States. See Part IV, line 22	0			
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16	0			
4 Benefits paid to or for members	0			
5 Compensation of current officers, directors, trustees, and key employees	277,650.	277,650.		
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7 Other salaries and wages	13,598,703.	10,252,365.	3,346,338.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	52,328.	38,800.	13,528.	
9 Other employee benefits	1,896,203.	1,433,094.	463,109.	
10 Payroll taxes	897,348.	680,567.	216,781.	
11 Fees for services (non-employees):				
a Management	0			
b Legal	70,454.		70,454.	
c Accounting	22,948.		22,948.	
d Lobbying	0			
e Professional fundraising services. See Part IV, line 17	0			
f Investment management fees	11,457.		11,457.	
g Other	7,691,058.	5,833,052.	1,858,006.	
12 Advertising and promotion	90,655.	68,755.	21,900.	
13 Office expenses	1,523,165.	1,155,199.	367,966.	
14 Information technology	771,848.	585,385.	186,463.	
15 Royalties	0			
16 Occupancy	554,601.	420,620.	133,981.	
17 Travel	219,713.	166,635.	53,078.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings	2,605.	1,976.	629.	
20 Interest	56,001.	42,472.	13,529.	
21 Payments to affiliates	0			
22 Depreciation, depletion, and amortization	1,198,725.	909,137.	289,588.	
23 Insurance	1,244,304.	943,705.	300,599.	
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 BAD DEBT	3,331,080.	3,331,080.		
b MEDICAL SUPPLIES & DRUGS	3,269,104.	3,269,104.		
c REPAIRS & MAINTENANCE	896,049.	679,581.	216,468.	
d LICENSES, DUES, SUBSCRIPTION	98,020.	74,340.	23,680.	
e All other expenses	129,590.	98,283.	31,307.	
25 **Total functional expenses.** Add lines 1 through 24e	37,913,609.	30,271,800.	7,641,809.	
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)	0			

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash - non-interest-bearing		784,555.	1	120,379.
	2	Savings and temporary cash investments		567,468.	2	3,095,535.
	3	Pledges and grants receivable, net		0	3	0
	4	Accounts receivable, net		4,152,812.	4	4,216,652.
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		65,758.	5	0
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions)		0	6	0
	7	Notes and loans receivable, net		0	7	0
	8	Inventories for sale or use		207,390.	8	226,045.
	9	Prepaid expenses and deferred charges		136,040.	9	849,693.
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 30,390,973.			
	b	Less: accumulated depreciation	10b 17,516,116.	12,602,670.	10c	12,874,857.
	11	Investments - publicly traded securities		2,644,851.	11	227,743.
	12	Investments - other securities. See Part IV, line 11		0	12	0
	13	Investments - program-related. See Part IV, line 11		0	13	0
	14	Intangible assets		0	14	0
	15	Other assets. See Part IV, line 11		2,222,642.	15	4,541,005.
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		23,384,186.	16	26,151,909.
Liabilities	17	Accounts payable and accrued expenses		3,540,246.	17	5,585,047.
	18	Grants payable		0	18	0
	19	Deferred revenue		31,208.	19	33,107.
	20	Tax-exempt bond liabilities		0	20	0
	21	Escrow or custodial account liability. Complete Part IV of Schedule D		0	21	0
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		0	22	0
	23	Secured mortgages and notes payable to unrelated third parties		721,996.	23	1,835,063.
	24	Unsecured notes and loans payable to unrelated third parties		0	24	0
	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		0	25	0
	26	**Total liabilities.** Add lines 17 through 25		4,293,450.	26	7,453,217.
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ [X] and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		18,599,002.	27	18,196,491.
	28	Temporarily restricted net assets		235,361.	28	247,626.
	29	Permanently restricted net assets		256,373.	29	254,575.
		Organizations that do not follow SFAS 117, check here ▶ [ ] and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building, or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		19,090,736.	33	18,698,692.
	34	Total liabilities and net assets/fund balances		23,384,186.	34	26,151,909.

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	37,678,543.
2	Total expenses (must equal Part IX, column (A), line 25)	2	37,913,609.
3	Revenue less expenses. Subtract line 2 from line 1	3	-235,066.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	19,090,736.
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-156,978.
6	Net assets or fund balances at end of year. Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	18,698,692.

Part XII Financial Statements and Reporting

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

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

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No. 1545-0047

2011

Open to Public Inspection

Name of the organization
RUMFORD HOSPITAL

Employer identification number
01-0215227

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 [X] A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Schedule A (Form 990 or 990-EZ) 2011

JSA
1E1210 1.000

Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**
(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public support.** Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 **Total support.** Add lines 7 through 10						

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

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

Section C. Computation of Public Support Percentage

14 Public support percentage for 2011 (line 6, column (f) divided by line 11, column (f)) . . . . . 14 %

15 Public support percentage from 2010 Schedule A, Part II, line 14 . . . . . 15 %

16a **33 1/3% support test - 2011.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . . . ▶ ☐

b **33 1/3% support test - 2010.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . . . ▶ ☐

17a **10%-facts-and-circumstances test - 2011.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . . ▶ ☐

b **10%-facts-and-circumstances test - 2010.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organzation meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . . ▶ ☐

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

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public support** (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 **Total support.** (Add lines 9, 10c, 11, and 12.)						

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

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

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

19a **33 1/3% support tests - 2011.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3 %, and line 17 is not more than 33 1/3 %, check this box and **stop here**. The organization qualifies as a publicly supported organization ▶ ☐

b **33 1/3% support tests - 2010.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3 %, and line 18 is not more than 33 1/3 %, check this box and **stop here**. The organization qualifies as a publicly supported organization ▶ ☐

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

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

Schedule B
(Form 990, 990-EZ, or 990-PF)
Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ **Attach to Form 990, Form 990-EZ, or Form 990-PF.**

OMB No. 1545-0047

2011

Name of the organization
RUMFORD HOSPITAL

Employer identification number
01-0215227

Organization type (check one):

Filers of:	**Section:**
Form 990 or 990-EZ	[X] 501(c)(3) (enter number) organization
	[ ] 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
	[ ] 527 political organization
Form 990-PF	[ ] 501(c)(3) exempt private foundation
	[ ] 4947(a)(1) nonexempt charitable trust treated as a private foundation
	[ ] 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule.**
Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

[X] For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, $5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

[ ] For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3 % support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of **(1)** $5,000 or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.

[ ] For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than $1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

[ ] For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not total to more than $1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of $5,000 or more during the year . . . . . ▶ $ _____

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on Part I, line 2, of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF.

Schedule B (Form 990, 990-EZ, or 990-PF) (2011)

Name of organization RUMFORD HOSPITAL

Employer identification number 01-0215227

Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1		$ 5,136.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
2		$ 11,732.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
3		$ 19,314.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
4		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
5		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)

Name of organization RUMFORD HOSPITAL

Employer identification number 01-0215227

Part II **Noncash Property** (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

Name of organization RUMFORD HOSPITAL

Employer identification number 01-0215227

Part III ***Exclusively*** **religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations that total more than $1,000 for the year.** Complete columns **(a)** through **(e) and** the following line entry.

For organizations completing Part III, enter the total of *exclusively* religious, charitable, etc., contributions of **$1,000 or less** for the year. (Enter this information once. See instructions.) ▶ $ _____

Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

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

▶ **See separate instructions.**

OMB No. 1545-0047

2011

Open to Public Inspection

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

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

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

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

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

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

Name of organization	Employer identification number
RUMFORD HOSPITAL	01-0215227

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-.
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					

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

Schedule C (Form 990 or 990-EZ) 2011

JSA
1E1264 1.000

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

A Check ▶ ☐ if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures).

B Check ▶ ☐ if the filing organization checked box A and "limited control" provisions apply.

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

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

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

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

Lobbying Expenditures During 4-Year Averaging Period

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

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

For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.	(a) Yes	(a) No	(b) Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a Volunteers?		X	
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		X	
c Media advertisements?		X	
d Mailings to members, legislators, or the public?		X	
e Publications, or published or broadcast statements?		X	
f Grants to other organizations for lobbying purposes?		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body?		X	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		X	
i Other activities?	X		7,035.
j Total. Add lines 1c through 1i			7,035.
2 a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		X	
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?		X	

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

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

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

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

Part IV Supplemental Information

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

OTHER LOBBYING ACTIVITIES

SCHEDULE C, PART II-B, LINE 1I

PORTION OF DUES FOR PROFESSIONAL ASSOCIATIONS ATTRIBUTED TO LOBBYING

EXPENSES - $7,035.

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

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No. 1545-0047

2011

Open to Public Inspection

Name of the organization: RUMFORD HOSPITAL

Employer identification number: 01-0215227

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

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

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

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

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

1 Purpose(s) of conservation easements held by the organization (check all that apply).

☐ Preservation of land for public use (e.g., recreation or education)
☐ Protection of natural habitat
☐ Preservation of open space
☐ Preservation of an historically important land area
☐ Preservation of a certified historic structure

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

			Held at the End of the Tax Year
a	Total number of conservation easements	2a	
b	Total acreage restricted by conservation easements	2b	
c	Number of conservation easements on a certified historic structure included in (a)	2c	
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d	

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

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

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

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

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

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

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

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

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

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

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

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	491,734.	499,320.	463,891.	536,730.	
b Contributions	12,735.	9,000.	13,532.	11,068.	
c Net investment earnings, gains, and losses	-2,068.	10,970.	23,747.	-79,304.	
d Grants or scholarships					
e Other expenditures for facilities and programs	200.	27,556.	1,850.	4,603.	
f Administrative expenses					
g End of year balance	502,201.	491,734.	499,320.	463,891.	

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

a Board designated or quasi-endowment ▶ _____ %

b Permanent endowment ▶ 50.6919 %

c Temporarily restricted endowment ▶ 49.3081 %

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

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

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

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		89,148.		89,148.
b Buildings		14,313,227.	5,697,947.	8,615,280.
c Leasehold improvements				
d Equipment		14,896,415.	11,590,356.	3,306,059.
e Other		1,092,183.	227,813.	864,370.
Total. Add lines 1a through 1e. *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				12,874,857.

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

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

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

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 13.)* ▶		

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

(a) Description	(b) Book value
(1) DUE FROM AFFILIATES	2,089,682.
(2) OTHER RECEIVABLES	54,130.
(3) DEPOSITS	1,125.
(4) EST AMT DUE FROM 3RD PTY PYRS	2,330,828.
(5) INVESTMENT IN CHARITABLE TRUST	65,240.
(6)	
(7)	
(8)	
(9)	
(10)	
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 15.)* ▶	4,541,005.

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

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 25.)* ▶	

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

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

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	37,678,543.
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	37,913,609.
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	-235,066.
4	Net unrealized gains (losses) on investments	4	-126,633.
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV.)	8	-30,345.
9	Total adjustments (net). Add lines 4 through 8	9	-156,978.
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	-392,044.

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements			1	37,550,956.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:				
a	Net unrealized gains on investments	2a	-126,633.		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c	-28,277.		
d	Other (Describe in Part XIV.)	2d	-13,525.		
e	Add lines **2a** through **2d**			2e	-168,435.
3	Subtract line **2e** from line **1**			3	37,719,391.
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV.)	4b	-40,848.		
c	Add lines **4a** and **4b**			4c	-40,848.
5	Total revenue. Add lines **3** and **4c.** *(This must equal Form 990, Part I, line 12.)*			5	37,678,543.

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

1	Total expenses and losses per audited financial statements			1	37,943,000.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIV.)	2d	40,848.		
e	Add lines **2a** through **2d**			2e	40,848.
3	Subtract line **2e** from line **1**			3	37,902,152.
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	11,457.		
b	Other (Describe in Part XIV.)	4b			
c	Add lines **4a** and **4b**			4c	11,457.
5	Total expenses. Add lines **3** and **4c.** *(This must equal Form 990, Part I, line 18.)*			5	37,913,609.

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

SEE PAGE 5

Part XIV Supplemental Information *(continued)*

USE OF ENDOWMENT FUNDS

SCHEDULE D, PART V, LINE 4

ENDOWMENT FUNDS ARE USED TO SUPPORT THE ORGANIZATION IN A VARIETY OF WAYS, DEPENDING UPON THE STATED PURPOSE OF EACH FUND. MANY OF THESE FUNDS HELP TO COVER COSTS OF CAPITAL EQUIPMENT PURCHASES, CONTINUING EDUCATION, OR FREE CARE. OTHERS ARE DESIGNATED TO SUPPORT SPECIFIC DEPARTMENTS OF THE HOSPITAL.

UNCERTAIN TAX POSITIONS

SCHEDULE D, PART X, LINE 2

MANAGEMENT HAS EVALUATED THEIR INCOME TAX POSITIONS UNDER THE GUIDANCE INCLUDED IN ASC 740. BASED ON THEIR REVIEW, MANAGEMENT HAS NOT IDENTIFIED ANY MATERIAL UNCERTAIN TAX POSITIONS TO BE RECORDED OR DISCLOSED IN THE FINANCIAL STATEMENTS.

OTHER CHANGES IN NET ASSETS

SCHEDULE D, PART XI, LINE 8

$ (28,277)	RECOVERY OF PRIOR YEAR GRANT
(2,068)	CHANGE IN BENEFICIAL INTEREST OF PERPETUAL TRUST

$ (30,345)	

Part XIV Supplemental Information *(continued)*

OTHER REVENUE INCLUDED ON LINE 1, BUT NOT ON FORM 990, PART VIII, LINE 12

SCHEDULE D, PART XII, LINE 2D

$ (2,068) CHANGE IN BENEFICIAL INTEREST OF PERPETUAL TRUST

(11,457) INVESTMENT MANAGEMENT FEES

$ (13,525)

OTHER REVENUE INCLUDED ON FORM 990, PART VIII, LINE 12, BUT NOT ON LINE 1

SCHEDULE D, PART XII, LINE 4B

$ (40,848) RENTAL EXPENSES

OTHER EXPENSE INCLUDED ON LINE 1, BUT NOT ON FORM 990, PART IX, LINE 25

SCHEDULE D, PART XIII, LINE 2D

$ 40,848 RENTAL EXPENSES

SCHEDULE H
(Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No. 1545-0047

2011

Open to Public Inspection

Name of the organization: RUMFORD HOSPITAL

Employer identification number: 01-0215227

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	X	
b	If "Yes," was it a written policy?	X	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year. [X] Applied uniformly to all hospital facilities [ ] Applied uniformly to most hospital facilities [ ] Generally tailored to individual hospital facilities		
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year.		
a	Did the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing *free* care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care: [ ] 100% [X] 150% [ ] 200% [ ] Other _____ %	X	
b	Did the organization use FPG to determine eligibility for providing *discounted* care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care: [ ] 200% [ ] 250% [ ] 300% [ ] 350% [ ] 400% [ ] Other _____ %		X
c	If the organization did not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care.		
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	X	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	X	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	X	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?		X
6a	Did the organization prepare a community benefit report during the tax year?		X
b	If "Yes," did the organization make it available to the public?		

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)			698,357.		698,357.	2.02
b Medicaid (from Worksheet 3, column a)			6,463,382.	6,011,645.	451,736.	1.31
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs			7,161,739.	6,011,645.	1,150,093.	3.33
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)						
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			10,000.		10,000.	.03
j **Total.** Other Benefits			10,000.		10,000.	.03
k **Total.** Add lines 7d and 7j.			7,171,739.	6,011,645.	1,160,093.	3.36

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

Schedule H (Form 990) 2011

JSA
1E1284 1.000

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						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy						
8 Workforce development						
9 Other						
10 Total						

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

Section A. Bad Debt Expense

			Yes	No
1 Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?		1		
2 Enter the amount of the organization's bad debt expense	2 3,331,080.			
3 Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy	3 426,378.			
4 Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit.				

Section B. Medicare

5 Enter total revenue received from Medicare (including DSH and IME)	5 15,134,269.			
6 Enter Medicare allowable costs of care relating to payments on line 5	6 13,972,289.			
7 Subtract line 6 from line 5. This is the surplus (or shortfall)	7 1,161,980.			
8 Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: ☐ Cost accounting system ☒ Cost to charge ratio ☐ Other				

Section C. Collection Practices

9a Did the organization have a written debt collection policy during the tax year?	9a	X	
b If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI	9b	X	

Part IV **Management Companies and Joint Ventures** (see instructions)

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

Part V Facility Information

Section A. Hospital Facilities

(list in order of size, from largest to smallest)

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

Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (describe)
1 RUMFORD HOSPITAL 420 FRANKLIN STREET RUMFORD ME 04276	X	X			X		X		OUTPATIENT PHYSICIAN CLINIC
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

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

Name of Hospital Facility: RUMFORD HOSPITAL

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

			Yes	No
	Community Health Needs Assessment (Lines 1 through 7 are optional for tax year 2011)			
1	During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment (Needs Assessment)? If "No," skip to line 8	1		
	If "Yes," indicate what the Needs Assessment describes (check all that apply):			
a	[ ] A definition of the community served by the hospital facility			
b	[ ] Demographics of the community			
c	[ ] Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	[X] How data was obtained			
e	[ ] The health needs of the community			
f	[ ] Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	[ ] The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	[ ] The process for consulting with persons representing the community's interests			
i	[ ] Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	[ ] Other (describe in Part VI)			
2	Indicate the tax year the hospital facility last conducted a Needs Assessment: 20 __ __			
3	In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3		
4	Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4		
5	Did the hospital facility make its Needs Assessment widely available to the public?	5		
	If "Yes," indicate how the Needs Assessment was made widely available (check all that apply):			
a	[ ] Hospital facility's website			
b	[ ] Available upon request from the hospital facility			
c	[ ] Other (describe in Part VI)			
6	If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply):			
a	[ ] Adoption of an implementation strategy to address the health needs of the hospital facility's community			
b	[ ] Execution of the implementation strategy			
c	[ ] Participation in the development of a community-wide community benefit plan			
d	[ ] Participation in the execution of a community-wide community benefit plan			
e	[ ] Inclusion of a community benefit section in operational plans			
f	[ ] Adoption of a budget for provision of services that address the needs identified in the Needs Assessment			
g	[ ] Prioritization of health needs in its community			
h	[ ] Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i	[ ] Other (describe in Part VI)			
7	Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	7		
	Financial Assistance Policy			
	Did the hospital facility have in place during the tax year a written financial assistance policy that:			
8	Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	X	
9	Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	9	X	
	If "Yes," indicate the FPG family income limit for eligibility for free care: 1 5 0 %			
	If "No," explain in Part VI the criteria the hospital facility used.			

Part V Facility Information *(continued)* RUMFORD HOSPITAL

		Yes	No
10	Used FPG to determine eligibility for providing *discounted* care?		X
	If "Yes," indicate the FPG family income limit for eligibility for discounted care: _ _ _ %		
	If "No," explain in Part VI the criteria the hospital facility used.		
11	Explained the basis for calculating amounts charged to patients?	X	
	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	[X] State regulation		
h	[ ] Other (describe in Part VI)		
12	Explained the method for applying for financial assistance?	X	
13	Included measures to publicize the policy within the community served by the hospital facility?	X	
	If "Yes," indicate how the hospital facility publicized the policy (check all that apply):		
a	[X] The policy was posted on the hospital facility's website		
b	[ ] The policy was attached to billing invoices		
c	[X] The policy was posted in the hospital facility's emergency rooms or waiting rooms		
d	[X] The policy was posted in the hospital facility's admissions offices		
e	[X] The policy was provided, in writing, to patients on admission to the hospital facility		
f	[X] The policy was available on request		
g	[X] Other (describe in Part VI)		

Billing and Collections

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

Part V Facility Information *(continued)* RUMFORD HOSPITAL

Policy Relating to Emergency Medical Care

			Yes	No
18	Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	18	X	

If "No," indicate why:

a ☐ The hospital facility did not provide care for any emergency medical conditions

b ☐ The hospital facility's policy was not in writing

c ☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)

d ☐ Other (describe in Part VI)

Individuals Eligible for Financial Assistance

19 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care.

a ☐ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged

b ☐ The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged

c ☐ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged

d ☒ Other (describe in Part VI)

20	Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Part VI.	20		X
21	Did the hospital facility charge any of its FAP-eligible patients an amount equal to the gross charge for any service provided to that patient? If "Yes," explain in Part VI.	21		X

Part V Facility Information *(continued)*

Section C. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year? 5

Name and address	Type of Facility (describe)
1 DIXFIELD CLINIC 146 WEL STREET DIXFIELD ME 04224	OUTPATIENT PHYSICIAN CLINIC
2 SWIFT RIVER CLINIC 430 FRANKLIN STREET RUMFORD ME 04276	OUTPATIENT PHYSICIAN CLINIC
3 RIVER VALLEY INTERNAL MEDICINE 431 FRANKLIN STREET RUMFORD ME 04276	OUTPATIENT PHYSICIAN CLINIC
4 RUMFORD SPECIALTY SUITES 431 FRANKLIN STREET RUMFORD ME 04276	OUTPATIENT PHYSICIAN CLINIC
5 RUMFORD SURGICAL SPECIALISTS 431 FRANKLIN STREET RUMFORD ME 04276	OUTPATIENT PHYSICIAN CLINIC
6	
7	
8	
9	
10	

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

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

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

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

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals 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.

PERCENT OF TOTAL EXPENSE

SCHEDULE H, PART I, LINE 7, COLUMN F

TO ARRIVE AT THE PERCENT OF TOTAL EXPENSES, THE DENOMINATOR WHICH EQUALS

TOTAL OPERATING EXPENSES PER PART IX, LINE 25, OF THE FORM 990

($37,913,609) WAS REDUCED BY BAD DEBT EXPENSE ($3,331,080).

COSTING METHODOLOGY

SCHEDULE H, PART I, LINE 7G

THE COST TO CHARGE RATIO CALCULATED ON IRS WORKSHEET 2 WAS USED TO

CALCULATE AMOUNTS ON IRS WORKSHEETS 1 AND 3. ALL OTHER WORKSHEETS USED

THE ORGANIZATION'S COST ACCOUNTING SYSTEM.

BAD DEBT EXPENSE

SCHEDULE H, PART III, SECTION A, LINE 4

THE AUDITED FINANCIAL STATEMENTS DO NOT CONTAIN A FOOTNOTE THAT DESCRIBES

BAD DEBT EXPENSE. THEY DO, HOWEVER, CONTAIN A FOOTNOTE THAT DESCRIBES

PATIENT ACCOUNTS RECEIVABLE. THAT FOOTNOTE READS AS FOLLOWS:

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

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

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

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

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals 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.

THE CORPORATION REPORTS PATIENT ACCOUNTS RECEIVABLE FOR SERVICES RENDERED AT NET REALIZABLE AMOUNTS FROM THIRD-PARTY PAYERS, PATIENTS AND OTHERS. THE CORPORATION PROVIDES AN ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS BASED UPON A REVIEW OF OUTSTANDING RECEIVABLES, HISTORICAL COLLECTION INFORMATION AND EXISTING ECONOMIC CONDITIONS. AS A SERVICE TO THE PATIENT, THE CORPORATION BILLS THIRD-PARTY PAYERS DIRECTLY AND BILLS THE PATIENT WHEN THE PATIENT'S LIABILITY IS DETERMINED. PATIENT ACCOUNTS RECEIVABLE ARE DUE IN FULL WHEN BILLED. ACCOUNTS ARE CONSIDERED DELINQUENT AND SUBSEQUENTLY WRITTEN OFF AS BAD DEBTS BASED ON INDIVIDUAL CREDIT EVALUATION AND SPECIFIC CIRCUMSTANCES OF THE ACCOUNT.

LINE 2 REPORTS BAD DEBT EXPENSE FROM THE ORGANIZATION'S AUDITED FINANCIAL STATEMENTS. BAD DEBT ATTRIBUTABLE TO PATIENTS UNDER THE ORGANIZATION'S CHARITY CARE POLICY FOR LINE 3 WAS DETERMINED USING A COMPARISON OF EXPERIENCED CHARITY CARE COVERAGE AND US CENSUS BUREAU DATA FOR THE MOST RECENT YEAR AVAILABLE WHEN CHARITY CARE CONVERGE EXCEEDS THE CENSUS DATA, A MINIMAL AMOUNT OF BAD DEBT IS ASSUMED TO BE ELIGIBLE FOR CHARITY CARE TO ACCOUNT FOR THOSE PATIENTS WHO REFUSE TO PROVIDE INFORMATION

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

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

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

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

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals 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.

DOCUMENTING ELIGIBILITY FOR THE PROGRAM. THESE ESTIMATES ARE BASED ON STATE-WIDE DATA AND DO NOT ACCOUNT FOR DIFFERENCES IN GEOGRAPHIC LOCATIONS WITHIN THE STATE. AS THIS AMOUNT IS RELATED TO PATIENTS ELIGIBLE UNDER THE FINANCIAL ASSISTANCE POLICY, IT IS INCLUDED AS A COMMUNITY BENEFIT.

COMMUNITY BENEFIT

SCHEDULE H, PART III, SECTION B, LINES 8

THE COSTING METHODOLOGY USED FOR LINE 6 IS INFORMATION PULLED FROM THE MEDICARE COST REPORT FILING. THE SHORTFALL REPORTED ON LINE 7 COULD BE CONSIDERED COMMUNITY BENEFIT TO A LEVEL PROPORTIONAL TO THE POVERTY LEVELS INDICATED BY CENSUS BUREAU DATA. IN 2010, DATA INDICATES THAT 59.2% OF MAINE RESIDENTS, AGE 65 OR OLDER, ARE BELOW THE 300% FPG LEVEL. IF THESE PATIENTS WERE NOT COVERED BY MEDICARE THEY WOULD QUALIFY UNDER CMMC'S FREE CARE POLICY. UNDER THAT CIRCUMSTANCE, THESE PATIENTS WOULD THEN APPEAR AS PART OF THE STATISTICS ON PART I, LINE 7A.

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

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

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

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

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals 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.

COLLECTION POLICY

SCHEDULE H, PART III, SECTION C, LINE 9B

COLLECTION PRACTICES FOR PATIENTS KNOWN TO BE ELIGIBLE FOR CHARITY CARE ARE LIMITED TO COLLECTING FROM ANY AVAILABLE PAYMENT SOURCES SUCH AS MEDICARE OR MEDICAID. IF A PATIENT IS ELIGIBLE, BUT HAS NOT APPLIED FOR MEDICAID COVERAGE, THE PATIENT IS REQUESTED TO APPLY. ASSISTANCE IS AVAILABLE TO HELP THE PATIENT WITH THE MEDICAID APPLICATION PROCESS.

OTHER METHODS USED TO PUBLICIZE THE FINANCIAL ASSISTANCE POLICY

SCHEDULE H, PART V, LINE 13G

THE FAP IS POSTED IN ALL OUTPATIENT DEPARTMENTS INCLUDING PROVIDER BASED PHYSICIANS' OFFICES, PATIENT FINANCIAL SERVICES, AND IS OFFERED TO ANY PATIENTS INDICATING A FINANCIAL NEED WHEN THEY CALL CUSTOMER SERVICE OR PRESENT THEMSELVES IN THE PATIENT FINANCIAL SERVICES DEPARTMENT.

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

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

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

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

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals 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.

MAXIMUM AMOUNTS CHARGED TO FAP-ELIGIBLE PATIENTS FOR EMERGENCY CARE

SCHEDULE H, PART V, LINE 19D

FAP-ELIGIBLE PATIENTS ULTIMATELY RECEIVE FREE CARE. IF THE PATIENT HAS INSURANCE, THE INSURANCE COMPANY WOULD BE BILLED AND ONLY THE PATIENT RESPONSIBILITY PORTION, UNDER THAT CARRIER'S CONTRACT, WOULD BE BILLED TO THE PATIENT. IF THE PATIENT IS UNINSURED, THE PATIENT WOULD BE BILLED WITH A 20% UNINSURED DISCOUNT FROM GROSS CHARGES. ONCE A PATIENT'S ELIGIBILITY IS CONFIRMED THROUGH THE FAP'S APPLICATION PROCESS, A FAP ADJUSTMENT WOULD BE APPLIED TO THE PATIENT'S ACCOUNT, BRINGING THE BALANCE TO ZERO.

NEEDS ASSESSMENT

SCHEDULE H, PART VI, LINE 2

AS A CRITICAL ACCESS HOSPITAL, RUMFORD HOSPITAL ATTEMPTS TO PROVIDE ANY NEEDED HEALTH CARE SERVICES NECESSARY TO TREAT THE POPULATION OF THIS RURAL AREA OF MAINE. ADDITIONALLY, RUMFORD HOSPITAL FOCUSES ON STATE-WIDE INITIATIVES, SUCH AS HEART DISEASE AND DIABETES, AS WELL AS ORGANIZATIONAL INITIATIVES BASED ON NEEDS OBSERVED WITHIN ITS PATIENT

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

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

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

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

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals 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.

POPULATION. MANY FORMS OF EDUCATION, PREVENTION AND EARLY DETECTION ARE ALSO PART OF ITS COMMUNITY HEALTH CARE PLAN.

PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE

SCHEDULE H, PART VI, LINE 3

RUMFORD HOSPITAL PROVIDES NOTICES ABOUT ITS FREE CARE POLICY IN ALL CLINICAL DEPARTMENTS AND MAJOR PATIENT AREAS. AN INPATIENT FINANCIAL COUNSELOR VISITS WITH ALL UNINSURED PATIENTS TO DISCUSS OPTIONS, INCLUDING GOVERNMENTAL PROGRAM ELIGIBILITY AND FREE CARE ASSISTANCE IS AVAILABLE TO HELP PATIENTS WITH COMPLETION OF MEDICAID APPLICATIONS. ALL PATIENT FINANCIAL SERVICES STAFF ARE TRAINED TO OFFER FREE CARE AS AN OPTION TO PATIENTS WHO INDICATE AN INABILITY OR DIFFICULTY IN PAYING FOR SERVICES. INFORMATION ABOUT FINANCIAL ASSISTANCE AVAILABILITY IS INCLUDED ON THE BACK OF EVERY PATIENT STATEMENT. ADDITIONALLY, UNINSURED PATIENTS RECEIVE A SEPARATE INFORMATION SHEET WITH THEIR STATEMENTS, FURTHER INFORMING THEM ABOUT THE AVAILABLE OPTIONS.

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

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

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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 hospitals 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.

COMMUNITY INFORMATION

SCHEDULE H, PART VI, LINE 4

RUMFORD HOSPITAL, LOCATED IN RUMFORD, MAINE, SERVES CENTRAL OXFORD COUNTY ALONG THE WESTERN BORDER OF MAINE. A LIGHTLY POPULATED, RURAL AREA, THE REGION HAS A PRIMARILY CAUCASIAN POPULATION WITH 16% OF PERSONS AGED 65 OR OVER AND 14% OF THE POPULATION BELOW THE POVERTY LEVEL.

PROMOTION OF COMMUNITY HEALTH

SCHEDULE H, PART VI, LINE 5

RUMFORD HOSPITAL HAS AN OPEN MEDICAL STAFF, ALLOWING ANY NON-EMPLOYED OR AFFILIATED PHYSICIANS TO HAVE ADMITTING PRIVILEGES TO THE HOSPITAL. THE BOARD OF DIRECTORS IS MADE UP OF A MAJORITY OF LOCAL COMMUNITY MEMBERS ALONG WITH SOME REPRESENTATION BY DIRECTORS FROM CENTRAL MAINE HEALTHCARE, THE PARENT OF THE HEALTHCARE SYSTEM WHICH RUMFORD HOSPITAL BELONGS TO, HELPING TO BRING TOGETHER THE VISIONS OF THE LOCAL COMMUNITY WITH THE CAPABILITIES AND VISION OF THE SYSTEM AS A WHOLE FOR THE BENEFIT OF RUMFORD AND SURROUNDING COMMUNITIES.

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

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

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

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

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals 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.

AFFILIATED HEALTH CARE SYSTEM

SCHEDULE H, PART VI, LINE 6

AS A MEMBER OF THE CENTRAL MAINE HEALTHCARE SYSTEM, RUMFORD HOSPITAL PROVIDES HIGH QUALITY HEALTH CARE IN A RURAL SETTING WITH LIMITED HEALTH CARE OPTIONS. ITS AFFILIATION WITH CENTRAL MAINE MEDICAL CENTER PROVIDES ACCESS TO A MUCH LARGER, TERTIARY CARE HOSPITAL, INCLUDING TRAUMA CARE, NEONATAL INTENSIVE CARE, AND A SPECIALIZED CARDIAC CARE UNIT. ADDITIONALLY, CENTRAL MAINE MEDICAL CENTER PROVIDES ACCESS TO SPECIALIST PHYSICIANS FOR OUTPATIENT CARE IN THE RUMFORD AREA ON A REGULAR SCHEDULE. THE SYSTEM PARENT, CENTRAL MAINE HEALTHCARE, PROVIDES STREAMLINED ADMINISTRATIVE FUNCTIONS AND BACKROOM SERVICES, ALLOWING RUMFORD HOSPITAL TO PERFORM AT A COST EFFICIENT LEVEL WHICH WOULD NORMALLY BE UNACHIEVABLE IN A SMALL, RURAL HOSPITAL, ALLOWING FOR BROADER RANGE OF SERVICES AVAILABLE.

SCHEDULE I (Form 990)

Department of the Treasury
Internal Revenue Service

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

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

OMB No. 1545-0047

2011

Open to Public Inspection

Name of the organization: RUMFORD HOSPITAL

Employer identification number: 01-0215227

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? . . . [X] Yes [ ] No

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

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

Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than $5,000. Check this box if no one recipient received more than $5,000. Part II can be duplicated if additional space is needed . . . ▶ [ ]

1 (a) Name and address of organization or government	(b) EIN	(c) IRC 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) LIFEFLIGHT FOUNDATION P.O. BOX 899 CAMDEN, ME 04843	52-2377085	501(C)(3)	10,000.				OPERATIONS
(2)							
(3)							
(4)							
(5)							
(6)							
(7)							
(8)							
(9)							
(10)							
(11)							
(12)							

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 . . . ▶

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

Schedule I (Form 990) (2011)

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" on 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
1					
2					
3					
4					
5					
6					
7					

Part IV **Supplemental Information.** Complete this part to provide the information required in Part I, line 2, and any other additional information.

MONITORING THE USE OF GRANT FUNDS

SCHEDULE I, PART I, LINE 2

THE GRANTS WERE AWARDED TO CHARITABLE ORGANIZATIONS EXEMPT UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE, FOR USE IN THEIR EXEMPT PURPOSE. THE MISSION OF THESE ORGANIZATIONS ALSO HELP SUPPORT COMMUNITY HEALTH OR HEALTHCARE, THEREBY HELPING TO FURTHER RUMFORD HOSPITAL'S EXEMPT PURPOSE AS WELL. SINCE THE GRANTS WERE NOT AWARDED WITH A SPECIFIC PURPOSE ATTACHED, NO TRACKING IS REQUIRED.

SCHEDULE J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

▶ **Attach to Form 990.** ▶ **See separate instructions.**

OMB No. 1545-0047

2011

Open to Public Inspection

Name of the organization: RUMFORD HOSPITAL

Employer identification number: 01-0215227

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.			
	☐ First-class or charter travel ☐ Travel for companions ☐ Tax indemnification and gross-up payments ☐ Discretionary spending account ☐ Housing allowance or residence for personal use ☐ Payments for business use of personal residence ☐ Health or social club dues or initiation fees ☐ Personal services (e.g., maid, chauffeur, chef)			
b	If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	1b		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	2		
3	Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director. Explain in Part III.			
	☐ Compensation committee ☐ Independent compensation consultant ☐ Form 990 of other organizations ☐ Written employment contract ☐ Compensation survey or study ☐ Approval by the board or compensation committee			
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:			
a	Receive a severance payment or change-of-control payment?	4a		X
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	X	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	4c		X
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.			
	Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.			
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:			
a	The organization?	5a		X
b	Any related organization?	5b		X
	If "Yes" to line 5a or 5b, describe in Part III.			
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:			
a	The organization?	6a		X
b	Any related organization?	6b		X
	If "Yes" to line 6a or 6b, describe in Part III.			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7		X
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III	8		X
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	9		

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

Schedule J (Form 990) 2011

JSA
1E1290 1.000

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

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

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1 PETER E. CHALKE	(i)	0	0	0	0	0	0	0
	(ii)	558,067.	112,822.	141,093.	428,229.	11,767.	1,251,978.	127,213.
2 JOHN WELSH	(i)	0	0	0	0	0	0	0
	(ii)	115,941.	0	126,242.	21,420.	10,454.	274,057.	108,057.
3 JACOB LEDESMA, M.D.	(i)	304,677.	86,093.	15,637.	5,274.	20,796.	432,477.	0
	(ii)	0	0	0	0	0	0	0
4 THOMAS DELUCA, M.D.	(i)	262,097.	62,529.	8,672.	3,119.	17,219.	353,636.	0
	(ii)	0	0	0	0	0	0	0
5 DIETER KRECKEL, M.D.	(i)	200,602.	64,183.	17,278.	3,676.	20,923.	306,662.	0
	(ii)	0	0	0				0
6 CAROLYN GARCIA, M.D.	(i)	252,809.	9,150.	94,097.	18,583.	22,207.	396,846.	0
	(ii)	0	0	0				0
7 JOHN KROGER, M.D.	(i)	180,416.	65,351.	7,415.	3,672.	20,796.	277,650.	0
	(ii)	0	0	0	0	0	0	0
8 SAID DAOUD, M.D.	(i)	255,728.	25,966.	10,024.	1,050.	17,219.	309,987.	0
	(ii)	0	0	0	0	0	0	0
9 R. DAVID FRUM	(i)	0	0	0	0	0	0	0
	(ii)	241,508.	27,600.	10,210.	26,058.	17,592.	322,968.	0
10	(i)							
	(ii)							
11	(i)							
	(ii)							
12	(i)							
	(ii)							
13	(i)							
	(ii)							
14	(i)							
	(ii)							
15	(i)							
	(ii)							
16	(i)							
	(ii)							

Part III Supplemental Information

Complete this part to 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.

EXECUTIVE COMPENSATION

SCHEDULE J, PART I, LINE 3

THE COMPENSATION OF THE ORGANIZATION'S PRESIDENT IS DETERMINED BY THE PARENT CORPORATION'S BOARD OF DIRECTORS' EXECUTIVE COMPENSATION COMMITTEE USING THE FOLLOWING:

-COMPENSATION COMMITTEE

-INDEPENDENT COMPENSATION CONSULTANT

-COMPENSATION SURVEY OR STUDY

-APPROVAL BY THE BOARD OR COMPENSATION COMMITTEE

SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN

SCHEDULE J, PART I, LINE 4B

A PARTICIPANT'S ENTITLEMENT TO BENEFITS WILL VEST ON THE PARTICIPANT'S VESTING DATE PROVIDED THE PARTICIPANT HAS REMAINED IN CONTINUOUS EMPLOYMENT IN THE SAME POSITION WHILE PARTICIPATING IN THIS PLAN. A PARTICIPANT WILL HAVE ONLY ONE VESTING DATE FOR ALL ELECTIVE DEFERRALS AND OTHER PLAN CONTRIBUTIONS MADE ON THE PARTICIPANT'S BEHALF DURING ALL PLAN YEARS.

Part III Supplemental Information

Complete this part to 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.

A PARTICIPANT'S ENTITLEMENT TO BENEFITS WILL ALSO VEST (A) IF THE PARTICIPANT DIES WHILE STILL EMPLOYED BY THE EMPLOYER, (B) IF THE PARTICIPANT'S EMPLOYMENT TERMINATES DUE TO TOTAL DISABILITY, OR (C) IF THE EMPLOYER TERMINATES THE PARTICIPANT'S EMPLOYMENT FOR ANY REASON OTHER THAN FOR "CAUSE". ANY PORTION OF THE PARTICIPANT'S ENTITLEMENT BENEFITS THAT IS NOT VESTED WHEN THE PARTICIPANT'S EMPLOYMENT WITH THE EMPLOYER TERMINATES, INCLUDING ELECTIVE DEFERRALS, WILL BE FORFEITED. THE EMPLOYER WILL DISTRIBUTE A PARTICIPANT'S BENEFITS UNDER THE PLAN AS SOON AS PRACTICABLE AFTER THE PARTICIPANT'S ENTITLEMENT BECOMES VESTED. THE FOLLOWING INDIVIDUALS PARTICIPATED IN A SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN THROUGH CENTRAL MAINE HEALTHCARE CORPORATION, A RELATED ENTITY.

$ 21,420	JOHN WELSH (DEFERRAL)
108,057	JOHN WELSH (PAYOUT)
127,213	PETER CHALKE (PAYOUT)
405,206	PETER CHALKE (DEFERRAL)

Part III Supplemental Information

Complete this part to 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.

23,000 R. DAVID FRUM (DEFERRAL)

COMPENSATION REPORTED IN PRIOR FORM 990

SCHEDULE J, PART II, COLUMN F

COMPENSATION IS REPORTED ON THE FORM 990 IN THE YEAR THAT THE COMPENSATION IS EARNED BY OR AWARDED TO AN INDIVIDUAL, EVEN IF THE COMPENSATION IS NOT PAID TO THE INDIVIDUAL, IS NOT FULLY VESTED, OR IS SUBJECT TO SUBSTANTIAL RISK OF FORFEITURE. IF COMPENSATION IS EARNED OR AWARDED IN ONE YEAR BUT PAID IN A LATER YEAR, THEN THE COMPENSATION IS REPORTED A SECOND TIME ON THE FORM 990 IN THE YEAR THE COMPENSATION IS VESTED OR PAID TO THE INDIVIDUAL.

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No. 1545-0047

2011

Open to Public Inspection

Name of the organization: RUMFORD HOSPITAL

Employer identification number: 01-0215227

FAMILY OR BUSINESS RELATIONSHIPS

FORM 990, PART VI, SECTION A, LINE 2

JOSEPH POIRIER, NOW DECEASED, HAS A FAMILY RELATIONSHIP WITH ROBERT STICKNEY.

MEMBERS OR STOCKHOLDERS

FORM 990, PART VI, SECTION A, LINES 6, 7A AND 7B

THE MEMBER OF THE CORPORATION SHALL BE CENTRAL MAINE HEALTHCARE CORPORATION, A CORPORATION DULY ORGANIZED UNDER THE LAWS OF THE STATE OF MAINE.

THE MEMBER SHALL HAVE THE RIGHT TO (A) APPROVE THE ELECTION OF MEMBERS OF THE BOARD OF DIRECTORS, (B) REMOVE MEMBERS OF THE BOARD OF DIRECTORS, AND (C) APPROVE CERTAIN DECISIONS OF THE BOARD OF DIRECTORS, AS DETAILED IN THE BYLAWS OF THE CORPORATION. THERE SHALL BE NINE (9) DIRECTORS OF THE CORPORATION WHO SHALL BE ENTITLED TO VOTE. ONE (1) OF THE NINE (9) VOTING DIRECTORS SHALL BE APPOINTED BY THE MEMBER, AND THE BALANCE OF VOTING DIRECTORS SHALL BE ELECTED BY THE BOARD OF DIRECTORS. IN ADDITION, THE BYLAWS MAY BE AMENDED OR REPEALED ONLY BY VOTE OF THE MEMBER IN ACCORDANCE WITH THE BYLAWS.

FORM 990 REVIEW PROCESS

FORM 990, PART VI, SECTION B, LINE 11B

ALL AFFILIATED FORM 990'S AND APPLICABLE SCHEDULES ARE PREPARED BY AN

Name of the organization: RUMFORD HOSPITAL

Employer identification number: 01-0215227

INDEPENDENT PUBLIC ACCOUNTING FIRM IN COOPERATION WITH THE FINANCE DEPARTMENT. THE COMPLETED RETURNS ARE REVIEWED WITH THE DIRECTOR OF FINANCE THEN WITH THE CFO FOLLOWING THAT REVIEW; THEY ARE PRESENTED TO THE FINANCE COMMITTEE OF THE CENTRAL MAINE HEALTHCARE BOARD OF DIRECTORS, WHICH HAS REPRESENTATIVES FROM ALL AFFILIATED BOARDS. ONCE THIS REVIEW IS COMPLETED, ANY NECESSARY CHANGES ARE MADE AND THE FINAL RETURN IS PRESENTED TO ITS RESPECTIVE BOARD WITH THE FINANCE COMMITTEE MEMBER TAKING AND ANSWERING QUESTIONS. A FINANCE DEPARTMENT REPRESENTATIVE, KNOWLEDGEABLE OF THE RETURN, IS AVAILABLE TO ASSIST DURING PRESENTATIONS, IF REQUESTED BY THE FINANCE COMMITTEE MEMBER. IN THE EVENT THAT THE NEXT BOARD MEETING IS NOT SCHEDULED UNTIL AFTER THE FILING DATE, THE FINAL RETURN IS MAILED TO ALL BOARD MEMBERS AND THE PRESENTATION OCCURS AT THE NEXT SCHEDULED BOARD MEETING.

MONITORING COMPLIANCE WITH CONFLICT OF INTEREST POLICY

FORM 990, PART VI, SECTION B, LINE 12C

OFFICERS AND DIRECTORS COMPLETE AN ANNUAL CONFLICT OF INTEREST STATEMENT WHICH IS REVIEWED BY THE CHAIRMAN OF THE BOARD AND CONFORMS TO THE CONDITIONS CONTAINED WITHIN THE CORPORATION'S BYLAWS, WHICH MEET OR EXCEED THE CURRENT IRS REPORTING THRESHOLDS. IN AREAS OF CONFLICT BY THE CHAIRMAN, THE VICE-CHAIRMAN REVIEWS.

ADDITIONALLY, AS PART OF THE ANNUAL FORM 990 PREPARATION PROCESS, A SEPARATE QUESTIONNAIRE IS PROVIDED, WHICH INCLUDES DISTRIBUTION TO KEY EMPLOYEES, COVERING REPORTING AREAS OF LOANS, GRANTS, BUSINESS RELATIONSHIPS, AND OTHER CONFLICTS. THESE QUESTIONNAIRES ARE REVIEWED BY

Name of the organization: RUMFORD HOSPITAL

Employer identification number: 01-0215227

THE FINANCE DEPARTMENT FOR REPORTABLE ITEMS FOR THE FORM 990.

IN THE CASE OF A POSSIBLE CONFLICT, THE BOARD WOULD REVIEW THE SITUATION AND TAKE ACTIONS DEEMED APPROPRIATE FOR THE POSSIBLE OR ACTUAL CONFLICTS OF MEMBERS OF THE BOARD OR THE EXECUTIVE OFFICERS. IN THE CASE OF KEY EMPLOYEES, THE REVIEW AND ACTIONS TAKEN WOULD BE PERFORMED BY THEIR DIRECT SUPERVISOR.

EXECUTIVE COMPENSATION REVIEW

FORM 990, PART VI, SECTION B, LINES 15A & 15B

A STANDING EXECUTIVE COMPENSATION COMMITTEE (ECC), COMPRISED OF INDEPENDENT MEMBERS OF BOARD LEADERSHIP, EXISTS TO UNDERTAKE THE PROCESS OF DETERMINING COMPENSATION FOR THE CHIEF EXECUTIVE OFFICER, CHIEF FINANCIAL OFFICER, CHIEF MEDICAL OFFICER, PRESIDENT OF CENTRAL MAINE MEDICAL CENTER, PHYSICIAN PRACTICE EXECUTIVE, AND PRESIDENT OF RUMFORD AND BRIDGTON HOSPITALS.

THE PROCESS GUIDELINES AND AUTHORITY OF THE ECC ARE SET OUT IN THE EXECUTIVE COMPENSATION PHILOSOPHY AND RESPONSIBILITIES CHARTER WHICH WAS APPROVED BY THE CMHC BOARD. THE ENTIRE CMHC BOARD PARTICIPATES IN THE ANNUAL PERFORMANCE EVALUATION OF EACH EXECUTIVE, INCLUDING A REVIEW OF ACCOMPLISHMENTS RELATIVE TO GOALS AND OBJECTIVES DERIVED FROM THE STRATEGIC PLAN. THE ECC REVIEWS THE RESULTS OF THE ANNUAL PERFORMANCE EVALUATION AND APPROPRIATE COMPARABILITY DATA BASED ON SEVERAL FACTORS RECOMMENDED BY AN INDEPENDENT EXECUTIVE COMPENSATION CONSULTANT, WHO SPECIALIZES IN NOT-FOR-PROFIT HOSPITALS AND HEALTH SYSTEMS, AND OUR

Name of the organization: RUMFORD HOSPITAL

Employer identification number: 01-0215227

ATTORNEYS. FACTORS USED IN DETERMINING COMPARABILITY TO THE ORGANIZATION INCLUDE SIZE, GEOGRAPHY, ORGANIZATIONAL COMPLEXITY, FACILITY TYPE, OWNERSHIP TYPE, AND ANY OTHER FACTORS DEEMED RELEVANT BY THE COMMITTEE, ITS CONSULTANTS, OR ITS ATTORNEYS.

USING THIS INFORMATION, THE ECC ANNUALLY REVIEWS THE EXECUTIVES' COMPENSATION TO DETERMINE IF MODIFICATION TO BASE SALARY IS WARRANTED, AND REVIEWS THE EXECUTIVES' ACCOMPLISHMENTS TO DETERMINE IF ANY VARIABLE PAY IS TO BE AWARDED. THE ENTIRE PROCESS IS THEN DOCUMENTED CONTEMPORANEOUSLY WITH THE DECISION-MAKING PROCESS AND APPROVED THEREAFTER IN ACCORDANCE WITH THE REQUIREMENTS OF THE IRS.

THE COMPENSATION PAID TO KEY EMPLOYEES IS REVIEWED BY THE VICE PRESIDENT OF HUMAN RESOURCES AND ORGANIZATIONAL DEVELOPMENT. DURING THE REVIEW PROCESS, THE CENTRAL MAINE HEALTHCARE COMPENSATION MANAGER PROVIDES MARKET DATA ON COMPARABLE POSITIONS FROM COMPARATIVE GROUPS OF HEALTHCARE ORGANIZATIONS THAT ARE APPROPRIATELY SIMILAR IN TERMS OF THEIR REVENUE, GEOGRAPHIC LOCATION, NUMBER OF EMPLOYEES, NUMBER OF STAFFED HOSPITAL BEDS, ETC. HUMAN RESOURCES PROVIDES AT A MINIMUM FOUR SETS OF COMPARABILITY DATA FROM THE MOST RECENT NATIONAL HEALTHCARE SPECIFIC COMPENSATION SURVEYS (E. G. WATSON & WYATT, SULLIVAN & COTTER, THE HAY GROUP, MERCER, ETC) FOR REFERENCE. THESE SURVEYS REPORT PAY RATE DATA THAT IS TYPICALLY AGED LESS THAN 6 MONTHS. CENTRAL MAINE HEALTHCARE AND AFFILIATES STRIVE TO PAY AT THE MARKET AVERAGE OR SLIGHTLY ABOVE IT FOR KEY EMPLOYEES. ONCE THE COMPENSATION MANAGER AND THE VICE PRESIDENT OF

Name of the organization: RUMFORD HOSPITAL

Employer identification number: 01-0215227

HUMAN RESOURCES AND ORGANIZATIONAL DEVELOPMENT HAVE FINALIZED RECOMMENDATIONS BASED ON THIS EMPIRICAL DATA, THEY ARE PRESENTED TO THE PRESIDENTS OF EACH HOSPITAL THAT SUPERVISE THE KEY EMPLOYEES, AND THE CEO OF CENTRAL MAINE HEALTHCARE, FOR REVIEW, EDITS, AND APPROVAL. THIS PROCESS TYPICALLY OCCURS DURING THE LAST MONTH OF THE FISCAL YEAR IN PREPARATION FOR THE NEXT FISCAL YEAR CENTRAL MAINE HEALTHCARE DOCUMENTS THE BASIS FOR ITS DETERMINATION OF KEY EMPLOYEES' COMPENSATION AND MAINTAINS THIS CONTEMPORANEOUSLY SUBSTANTIATED MATERIAL IN THE HUMAN RESOURCES DEPARTMENT.

PUBLIC DISCLOSURE

FORM 990, PART VI, SECTION C, LINE 19

THE ORGANIZATION'S GOVERNING DOCUMENTS AND CONFLICT OF INTEREST POLICY ARE AVAILABLE UPON REQUEST IN THE ORGANIZATION'S ADMINISTRATIVE OFFICES. THE FINANCIAL STATEMENTS OF THE ORGANIZATION ARE INCLUDED IN THE MOST RECENTLY FILED FORM 990 AND PROVIDED, UPON REQUEST, IN THAT FORMAT UNLESS THE SPECIFIC REQUEST DEEMS A DIFFERENT FORMAT MORE APPROPRIATE.

HOURS WORKED FOR RELATED ORGANIZATIONS

FORM 990, PART XVII, SECTION A, LINE 1A, COLUMN B

THE CENTRAL MAINE HEALTHCARE SYSTEM, WHICH INCLUDES THE FOLLOWING ENTITIES REPORTABLE AS RELATED ORGANIZATIONS ON SCHEDULE R OF THE FORM 990, SHARES EXECUTIVE MANAGEMENT AND GOVERNING BOARD MEMBERS: CENTRAL MAINE HEALTHCARE CORPORATION, CENTRAL MAINE MEDICAL CENTER, CENTRAL MAINE MEDICAL CENTER COLLEGE OF NURSING AND HEALTH PROFESSIONS, RUMFORD HOSPITAL, RUMFORD COMMUNITY FAMILY HEALTH CENTER, RUMFORD COMMUNITY HOME

Name of the organization: RUMFORD HOSPITAL

Employer identification number: 01-0215227

CORPORATION, BRIDGTON HOSPITAL, BRIDGTON HOSPITAL PHYSICIAN'S GROUP, CENTRAL MAINE COMMUNITY HEALTH CORPORATION, CENTRAL MAINE REAL ESTATE MANAGEMENT CORPORATION, CENTRAL MAINE HEART AND VASCULAR INSTITUTE, GARD W. TWADDLE NURSES ENDOWMENT, ELIAS E TUCKER TRUST FUND, CENTRAL MAINE HEALTH VENTURES AND SUBSIDIARIES, AND CWM INSURANCE, LTD.

THE PRESIDENT OF CENTRAL MAINE HEALTHCARE SYSTEM, PETER E. CHALKE, AND THE PRESIDENT OF RUMFORD AND BRIDGTON HOSPITALS, R. DAVID FRUM, ALSO SERVE ON THE BOARDS OF OTHER RELATED ORGANIZATIONS.

JOHN WELSH, FORMER PRESIDENT OF RUMFORD HOSPITAL, ALSO SERVED AS AN OFFICER FOR OTHER RELATED ORGANIZATIONS.

MOST BOARD MEMBERS SERVE ON THE BOARDS OF MULTIPLE RELATED ORGANIZATIONS.

OTHER CHANGES IN NET ASSETS

FORM 990, PART XI, LINE 5

$ (126,633)	UNREALIZED LOSSES
(2,068)	CHANGE IN BENEFICAL INTEREST OF PERPETUAL TRUST
(28,277)	RECOVERY OF PRIOR YEAR GRANT

$ (156,978)	

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No. 1545-0047
2011
Open to Public Inspection

Name of the organization: RUMFORD HOSPITAL

Employer identification number: 01-0215227

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

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	No
(1) CENTRAL MAINE COMMUNITY HEALTH CORP 01-0386912 P.O. BOX 4500 LEWISTON, ME 04243	PUBLIC ED	ME	501(C)(3)	7	CMHC		X
(2) CENTRAL MAINE MEDICAL CENTER 01-0211494 P.O. BOX 4500 LEWISTON, ME 04243	HEALTHCARE	ME	501(C)(3)	3	CMHC		X
(3) CMMC COLLEGE OF NURSING & HEALTH PROF. 01-0356077 P.O. BOX 4500 LEWISTON, ME 04243	EDUCATION	MH	501(C)(3)	2	CMMC		X
(4) CENTRAL MAINE REAL ESTATE MGMT CORP. 01-0387674 P.O. BOX 4500 LEWISTON, ME 04243	REAL ESTATE	ME	501(C)(2)		CMHC		X
(5) CENTRAL MAINE HEALTHCARE CORPORATION 01-0386913 P.O. BOX 4500 LEWISTON, ME 04243	HEALTHCARE	ME	501(C)(3)	11 B II	N/A		X
(6) RUMFORD COMMUNITY FAMILY HEALTH CENTER 01-0481000 430 FRANKLIN STREET RUMFORD, ME 04276	HEALTHCARE	ME	501(C)(3)	3	CMHC		X
(7) RUMFORD COMMUNITY HOME CORPORATION 22-2844951 11 JOHN F. KENNEDY LANE RUMFORD, ME 04276	NURSING HOME	ME	501(C)(3)	9	CMHC		X

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

Schedule R (Form 990) 2011

JSA
1E1307 1.000

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No. 1545-0047
2011
Open to Public Inspection

Name of the organization: RUMFORD HOSPITAL

Employer identification number: 01-0215227

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

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	No
(1) BRIDGTON HOSPITAL 01-0130427 10 HOSPITAL DRIVE BRIDGTON, ME 04009	HEALTHCARE	ME	501(C)(3)	3	CMHC		X
(2) BRIDGTON HOSPITAL PHYSICIANS GROUP 01-0493083 SOUTH HIGH STREET BRIDGTON, ME 04009	HEALTHCARE	ME	501(C)(3)	9	CMHC		X
(3) CENTRAL MAINE HEART AND VASCULAR INST. 54-2078282 300 MAINE STREET LEWISTON, ME 04240	HEALTHCARE	ME	501(C)(3)	9	CMHC		X
(4) ELIAS E. TUCKER TRUST FUND 01-6042343 C/O CMMC, 300 MAIN STREET LEWISTON, ME 04240	NURSING ED	ME	501(C)(3)	11 A I	CMMC		X
(5)							
(6)							
(7)							

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

Schedule R (Form 990) 2011

JSA
1E1307 1.000

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1)												
(2)												
(3)												
(4)												
(5)												
(6)												
(7)												

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) CENTRAL MAINE HEALTH VENTURES, INC. 01-0430016 300 MAINE STREET LEWISTON, ME 04240	HEALTHCARE	ME	N/A	C CORP			
(2) CWM INSURANCE, LTD. 98-0220891 GENESIS BUILDING P.O. BOX 1363 GRAND CAYMAN, B.W.I. CJ	INSURANCE	CJ	N/A	C CORP			
(3)							
(4)							
(5)							
(6)							
(7)							

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

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

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

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

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

Part VI **Unrelated Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" 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 section 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate 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	
(1)													
(2)													
(3)													
(4)													
(5)													
(6)													
(7)													
(8)													
(9)													
(10)													
(11)													
(12)													
(13)													
(14)													
(15)													
(16)													

Part VII Supplemental Information

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

Central Maine Healthcare Corporation and Subsidiaries

Accountants' Report and Consolidated Financial Statements

June 30, 2012 and 2011

Central Maine Healthcare Corporation
and Subsidiaries
June 30, 2012 and 2011

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Independent Accountants' Report

Board of Directors
Central Maine Healthcare Corporation and Subsidiaries
Lewiston, Maine

We have audited the accompanying consolidated balance sheets of Central Maine Healthcare Corporation and Subsidiaries (the "Corporation") as of June 30, 2012 and 2011, and the related consolidated statements of operations, changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Central Maine Healthcare Corporation and Subsidiaries as of June 30, 2012 and 2011, and the results of its operations, the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

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

BKD, LLP

November 6, 2012

experience BKD

Praxity MEMBER
GLOBAL ALLIANCE OF INDEPENDENT FIRMS

Central Maine Healthcare Corporation and Subsidiaries

Consolidated Balance Sheets

June 30, 2012 and 2011

Assets

	2012	2011
Current Assets		
Cash and cash equivalents	$ 27,308,135	$ 22,482,931
Assets limited as to use - current	11,074,209	21,331,750
Assets limited as to use held by trustee for bond project fund - current	-	1,616,496
Patient accounts receivable, net of allowance; 2012 - $39,805,000; 2011 - $18,775,000	43,689,462	45,988,475
Short-term investments	15,983,490	27,520,388
Estimated amounts due from third-party payers - current	13,177,912	20,521,492
Supplies	3,125,520	3,397,776
Prepaid expenses and other	11,402,362	9,737,518
Total current assets	125,761,090	152,596,826
Assets Limited As To Use		
Internally designated	25,570,765	24,766,087
Externally restricted by donors	26,764,891	27,312,053
Held by trustee under bond indenture agreements	17,424,208	20,158,060
Held by trustee for self-insurance trust	24,648,137	27,272,442
	94,408,001	99,508,642
Less amount required to meet current obligations	11,074,209	22,948,246
	83,333,792	76,560,396
Property and Equipment, Net	209,352,726	204,342,120
Other Assets		
Estimated amounts due from third-party payers	36,000,077	19,059,971
Deferred compensation plan assets	25,151,715	24,750,264
Investment in equity investees	7,254,398	5,744,485
Notes receivable	4,790,969	5,513,444
Other	10,951,255	4,244,356
	84,148,414	59,312,520
Total assets	$ 502,596,022	$ 492,811,862

See Notes to Consolidated Financial Statements

Liabilities and Net Assets

	2012	2011
Current Liabilities		
Line of credit	$ -	$ 14,897,529
Current maturities of long-term debt	6,612,369	4,943,514
Accounts payable	12,646,246	17,698,643
Accrued expenses	28,064,280	27,166,598
Total current liabilities	47,322,895	64,706,284
Estimated Self-Insurance Costs	16,314,916	17,838,443
Line of Credit	17,428,260	-
Long-Term Debt	145,917,661	138,233,228
Pension Liabilities	49,589,583	22,468,411
Asset Retirement Obligations	2,829,879	2,781,372
Other Long-Term Liabilities	8,551,115	9,013,220
Total liabilities	287,954,309	255,040,958
Net Assets		
Unrestricted	186,655,242	210,775,172
Temporarily restricted	9,353,451	8,974,959
Permanently restricted	18,633,020	18,020,773
Total net assets	214,641,713	237,770,904
Total liabilities and net assets	$ 502,596,022	$ 492,811,862

Central Maine Healthcare Corporation and Subsidiaries

Consolidated Statements of Operations

Years Ended June 30, 2012 and 2011

	2012	2011
Unrestricted Revenues, Gains and Other Support		
Net patient service revenue	$ 404,474,901	$ 394,397,406
Other revenue	19,349,222	14,988,474
Net assets released from restrictions used for operations	1,626,049	1,493,862
Total unrestricted revenues, gains and other support	425,450,172	410,879,742
Expenses and Losses		
Salaries, wages and employee benefits	238,632,919	234,931,720
Supplies and other	119,524,258	115,142,422
Depreciation and amortization	24,230,062	23,339,050
Interest	4,217,582	3,708,350
Provision for uncollectible accounts	35,088,802	26,517,557
Total expenses and losses	421,693,623	403,639,099
Operating Income	3,756,549	7,240,643
Other Income (Expense)		
Investment return	1,668,564	1,852,065
Realized gains on sale of investments	2,308,482	1,946,426
Change in unrealized gains (losses) on investments	(3,130,284)	4,313,611
Gain on investment in equity investees	1,892,158	905,183
Pension curtailment	-	(583,985)
Other	(473,730)	(1,358,559)
Total other income (expense)	2,265,190	7,074,741
Excess of Revenues Over Expenses	6,021,739	14,315,384
Net assets released from restriction used for purchase of property and equipment	10,500	34,323
Grant funds used for acquisition of property and equipment	163,399	266,572
Change in defined benefit pension plan gains and losses, prior service costs and curtailments	(30,315,568)	23,773,833
Increase (decrease) in unrestricted net assets	$ (24,119,930)	$ 38,390,112

See Notes to Consolidated Financial Statements

Central Maine Healthcare Corporation and Subsidiaries

Consolidated Statements of Changes in Net Assets

Years Ended June 30, 2012 and 2011

	2012	2011
Unrestricted Net Assets		
Excess of revenues over expenses	$ 6,021,739	$ 14,315,384
Net assets released from restriction used for purchase of property and equipment	10,500	34,323
Grant funds used for acquisition of property and equipment	163,399	266,572
Change in defined benefit pension plan gains and losses, prior service costs and curtailments	(30,315,568)	23,773,833
Increase (decrease) in unrestricted net assets	(24,119,930)	38,390,112
Temporarily Restricted Net Assets		
Contributions received	2,394,020	1,951,978
Investment return	(378,979)	2,653,715
Net assets released from restriction	(1,636,549)	(1,528,185)
Increase in temporarily restricted net assets	378,492	3,077,508
Permanently Restricted Net Assets		
Contributions received	686,077	624,547
Change in beneficial interest in perpetual trusts	(73,830)	(251,814)
Increase in permanently restricted net assets	612,247	372,733
Change in Net Assets	(23,129,191)	41,840,353
Net Assets, Beginning of Year	237,770,904	195,930,551
Net Assets, End of Year	$ 214,641,713	$ 237,770,904

Central Maine Healthcare Corporation and Subsidiaries

Consolidated Statements of Cash Flows

Years Ended June 30, 2012 and 2011

	2012	2011
Operating Activities		
Change in net assets	$ (23,129,191)	$ 41,840,353
Items not requiring (providing) operating cash flow		
Gain on sale of property and equipment	(94,261)	(12,304)
Depreciation and amortization	24,230,062	23,339,050
Gain on investment in equity investee	(1,892,158)	(905,183)
(Gain) loss on investments	1,461,642	(8,584,531)
Restricted contributions, grants and investment income received	(3,243,496)	(2,843,097)
Accrued self-insurance costs	(637,222)	3,044,683
Accrued deferred compensation costs	(863,556)	(1,239,034)
Change in defined benefit pension plans	30,315,568	(23,773,833)
Changes in		
Patient accounts receivable	2,299,013	(974,347)
Estimated amounts due from and to third-party payers	(9,596,526)	19,612,823
Accounts payable and accrued expenses	(7,743,273)	(8,476,341)
Other current assets and liabilities	1,841,476	2,763,848
Net cash provided by operating activities	12,948,078	43,792,087
Investing Activities		
Investment in equity investee	(950,000)	-
Purchases of investments	(36,822,805)	(22,246,244)
Sales of investments	51,998,702	31,754,294
Dividends and return of equity from equity investees	1,270,407	911,329
Purchases of property and equipment	(22,467,018)	(32,901,505)
Proceeds from sale of property and equipment	103,662	-
Net cash used in investing activities	(6,867,052)	(22,482,126)

Central Maine Healthcare Corporation and Subsidiaries

Consolidated Statements of Cash Flows

Years Ended June 30, 2012 and 2011

	2012	2011
Financing Activities		
Restricted contributions, grants and investment income	$ 3,243,496	$ 2,843,097
Proceeds from line of credit	4,762,790	-
Principal payments on long-term debt and the line of credit	(9,262,108)	(5,184,658)
Net used in financing activities	(1,255,822)	(2,341,561)
Increase in Cash and Cash Equivalents	4,825,204	18,968,400
Cash and Cash Equivalents, Beginning of Year	22,482,931	3,514,531
Cash and Cash Equivalents, End of Year	$ 27,308,135	$ 22,482,931
Supplemental Cash Flows Information		
Interest paid (net of amount capitalized)	$ 4,353,675	$ 5,452,945
Property and equipment in accounts payable	$ 2,825,380	$ 3,269,016
Capital lease obligation incurred for property and equipment	$ -	$ 804,326
Capital lease obligation incurred for new information technology system	$ 16,379,543	$ -

See Notes to Consolidated Financial Statements

Central Maine Healthcare Corporation and Subsidiaries

Notes to Consolidated Financial Statements
June 30, 2012 and 2011

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Central Maine Healthcare Corporation (CMHC), a not-for-profit entity, coordinates, plans and provides a broad range of integrated healthcare services to meet the healthcare needs of the people of the Central and Western Maine region including inpatient, outpatient and emergency care services.

CMHC is the parent company of Central Maine Medical Center (CMMC or the "Medical Center"), Central Maine Health Ventures, Inc. (CMHV), Central Maine Community Health Corporation, Central Maine Real Estate Management Corporation, CWM Insurance, Ltd. (CWM), Rumford Hospital, Rumford Community Home Corporation, Rumford Community Family Health Center, Inc. (Rumford) and Bridgton Hospital (Bridgton).

CMMC, Rumford and Bridgton primarily earn revenues by providing inpatient, outpatient and emergency care services to patients in the Central and Western Maine region.

CMHV, Rumford Community Home Corporation, Rumford Community Family Health Center, Inc. and Central Maine Community Health Corporation provide a variety of services including long-term care, imaging and other clinical services to patients in the Central and Western Maine region.

Central Maine Real Estate Management Corporation manages rental property for physicians in the Central and Western Maine region.

CWM is a captive insurance company, incorporated in the Cayman Islands, that provides professional and general liability for CMHC and its subsidiaries.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of CMHC and its wholly owned subsidiaries (collectively the "Corporation"). All significant intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash Equivalents

The Corporation considers all liquid investments with original maturities of three months or less to be cash equivalents. At June 30, 2012 and 2011, cash equivalents consisted primarily of money market accounts and short-term government obligations.

Pursuant to legislation enacted in 2010, the FDIC will fully insure all noninterest-bearing transaction accounts beginning December 31, 2010, through December 31, 2012, at all FDIC-insured institutions.

For interest-bearing cash accounts, the FDIC's insurance limits were permanently increased to $250,000. At June 30, 2012 and 2011, the Corporation's interest-bearing cash accounts exceeded federally insured limits by approximately $4,180,000 and $4,400,000, respectively.

Additionally, the Corporation has entered into an agreement with a local financial institution to purchase fully collateralized U.S. government securities with the Corporation's sweep accounts. At June 30, 2012 and 2011, the amount held in sweep and money market accounts was approximately $11,760,000 and $30,275,000.

Investments and Investment Return

Investments in equity securities having a readily determinable fair value and in all debt securities are carried at fair value. The investments in equity investee are reported on the equity method of accounting. Other investments are valued at the lower of cost (or fair value at time of donation, if acquired by contribution) or fair value. Investment return includes dividend, interest and other investment income; realized and unrealized gains and losses on investments carried at fair value; and realized gains and losses on other investments.

Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is included in unrestricted net assets. Other investment return is reflected in the statements of operations and changes in net assets as unrestricted, temporarily restricted or permanently restricted based upon the existence and nature of any donor or legally imposed restrictions.

Certain investments are carried at fair value pursuant to the fair value option available under FASB ASC Topic 825 (*Note 17*).

Assets Limited As To Use

Assets limited as to use include (1) assets held by trustees under bond indenture agreements and for self-insurance, (2) assets restricted by donors and (3) assets set aside by the Board of Directors for future capital improvements over which the Board retains control and may at its discretion subsequently use for other purposes. Amounts required to meet current liabilities and bond project funds for projects to be completed in the current year of the Corporation are included in current assets.

Patient Accounts Receivable

The Corporation reports patient accounts receivable for services rendered at net realizable amounts from third-party payers, patients and others. The Corporation provides an allowance for uncollectible accounts based upon a review of outstanding receivables, historical collection information and existing economic conditions. As a service to the patient, the Corporation bills third-party payers directly and bills the patient when the patient's liability is determined. Patient accounts receivable are due in full when billed. Accounts are considered delinquent and subsequently written off as bad debts based on individual credit evaluation and specific circumstances of the account.

Supplies

The Corporation states supply inventories at the lower of cost, determined using the first-in, first-out method, or market.

Property and Equipment

Property and equipment acquisitions are recorded at cost and are depreciated on a straight-line basis over the estimated useful life of each asset. Assets under capital lease obligations and leasehold improvements are depreciated over the shorter of the lease term or their respective estimated useful lives.

Donations of property and equipment are reported at fair value as an increase in unrestricted net assets unless use of the assets is restricted by the donor. Monetary gifts that must be used to acquire property and equipment are reported as restricted support. The expiration of such restrictions is reported as an increase in unrestricted net assets when the donated asset is placed in service.

The Corporation capitalizes interest costs as a component of construction in progress, based on interest costs of borrowing specifically for the project, net of interest earned on investments acquired with the proceeds of the borrowing. Total interest capitalized and incurred was:

	2012	2011
Total interest expense incurred on borrowings for project	$ 2,820,362	$ 2,288,551
Interest income from investment of proceeds of borrowings for project	(132,792)	(127,128)
Net interest cost capitalized	$ 2,687,570	$ 2,161,423

	2012	2011
Interest capitalized	$ 2,820,362	$ 2,288,551
Interest charged to expense	4,217,582	3,708,350
Total interest incurred	$ 7,037,944	$ 5,996,901

Long-Lived Asset Impairment

The Corporation evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the assets is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value.

No asset impairment was recognized during the years ended June 30, 2012 and 2011.

Deferred Financing Costs

Deferred financing costs represent costs incurred in connection with the issuance of long-term debt and are included in other assets in the accompanying consolidated balance sheets. Such costs are being amortized over the term of the respective debt using the straight-line method.

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by the Corporation has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Corporation in perpetuity.

Net Patient Service Revenue

The Corporation has agreements with third-party payers that provide for payments to the Corporation at amounts different from its established rates. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payers and others for services rendered and includes estimated retroactive revenue adjustments. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered and such estimated amounts are revised in future periods as adjustments become known.

Charity Care

The Corporation provides care without charge or at amounts less than its established rates to patients meeting certain criteria under its charity care policy. Because the Corporation does not pursue collection of amounts determined to qualify as charity care, these amounts are not reported as net patient service revenue.

Contributions

Unconditional gifts expected to be collected within one year are reported at their net realizable value. Unconditional gifts expected to be collected in future years are initially reported at fair value determined using the discounted present value of estimated future cash flows technique. The resulting discount is amortized using the level-yield method and is reported as contribution revenue.

Gifts received with donor stipulations are reported as either temporarily or permanently restricted support. When a donor restriction expires, that is, when a time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified and reported as an increase in unrestricted net assets. Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions. Conditional contributions are reported as liabilities until the condition is eliminated or the contributed assets are returned to the donor.

Estimated Malpractice Costs

An annual estimated provision is accrued for the medical malpractice claims and includes an estimate of the ultimate costs for both reported claims and claims incurred but not reported.

Income Taxes

CMHC, CMMC, Central Maine Community Health Corporation, Central Maine Real Estate Management Corporation, Rumford Hospital, Rumford Community Home Corporation, Rumford Community Family Health Center, Inc. and Bridgton Hospital, are classified as tax-exempt organizations as described in Section 501 of the Internal Revenue Code and a similar provision of state law. However, these entities are subject to federal income tax on any unrelated business taxable income.

CMHV and its subsidiaries are subject to federal and state income taxes. CMHV accounts for income taxes in accordance with income tax accounting guidance (ASC 740, *Income Taxes*). CMHV has accumulated net operating loss carryforwards that are available to offset future taxable income during the carryforward period. No income tax benefit has been recognized for the net operating loss carryforwards or other potential deferred tax assets in the consolidated financial statements because CMHV believes realization of these benefits is unlikely.

CMHC and its consolidated entities file tax returns in the U.S. federal jurisdiction. With a few exceptions, these entities are no longer subject to U.S. federal examinations by tax authorities for years before 2006.

Excess of Revenues Over Expenses

The statements of operations include excess of revenues over expenses. Changes in unrestricted net assets which are excluded from excess of revenues over expenses, consistent with industry practice, include unrealized gains and losses on investments other than trading securities, change in pension liabilities, permanent transfers to and from affiliates for other than goods and services and contributions of and grants for long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purpose of acquiring such assets).

Electronic Health Records Incentive Program

The Electronic Health Records Incentive Program, enacted as part of the *American Recovery and Reinvestment Act of 2009*, provides for one-time incentive payments under both the Medicare and Medicaid programs to eligible hospitals that demonstrate meaningful use of certified electronic health records technology (EHR). Payments under the Medicare program are generally made for up to four years based on a statutory formula. Payments under the Medicaid program are generally made for up to four years based upon a statutory formula, as determined by the state, which is approved by the Centers for Medicare and Medicaid Services. Payment under both programs are contingent on the organization continuing to meet escalating meaningful use criteria and any other specific requirements that are applicable for the reporting period. The final amount for any payment year is determined based upon an audit by the fiscal intermediary. Events could occur that would cause the final amounts to differ materially from the initial payments under the program.

The Corporation recognizes revenue ratably over the reporting period starting at the point when management is reasonably assured it will meet all of the meaningful use objectives and any other specific grant requirements applicable for the reporting period.

In 2012, the Corporation completed the first-year requirements under the Medicaid program and has recorded revenue of approximately $3,825,000, which is included in other revenue within operating revenues in the statement of operations.

Estimated Self-Insurance Costs

The Corporation accrues estimated liabilities for self-insurance losses associated with worker's compensation and employee health insurance claims and includes an estimate of the ultimate costs for both reported claims and claims incurred but not reported.

Subsequent Events

Subsequent events have been evaluated November 6, 2012, which is the date the financial statements were issued.

Note 2: Net Patient Service Revenue

The Corporation has agreements with third-party payers that provide for payments to the Corporation at amounts different from its established rates. These payment arrangements include:

Medicare. CMMC - Inpatient acute care services and substantially all outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors. Inpatient skilled nursing services are paid at prospectively determined per diem rates that are based on the patients' acuity. Certain inpatient nonacute services and defined medical education costs are paid based on a cost reimbursement methodology.

Rumford and Bridgton – Inpatient acute care and swing-bed skilled nursing services and substantially all outpatient services rendered to the Medicare program beneficiaries are paid based on cost reimbursed formulas as a critical access hospital.

CMMC, Rumford and Bridgton are all reimbursed for certain services at tentative rates with final settlement determined after submission of annual cost reports and audits thereof by the Medicare administrative contractor.

Medicaid. Inpatient and outpatient services rendered to Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology for certain services and at prospectively determined rates for all other services. CMMC, Rumford and Bridgton are reimbursed for cost reimbursable services at tentative rates with final settlement determined after submission of annual cost reports by the respective hospital and audits thereof by the Medicaid administrative contractor. Beginning July 1, 2011, for inpatient acute care services CMMC is now being paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors.

CMMC, Rumford and Bridgton's Medicaid cost reports have been tentatively settled by the Medicaid administrative contractor through June 30, 2008. At June 30, 2012 and 2011, CMMC, Rumford and Bridgton have estimated cost report receivables of approximately $56,310,000 and $43,250,000, respectively, from the State of Maine (State) for fiscal years 2005 through 2012. CMMC, Rumford and Bridgton received $200,000 and $27,730,000 during fiscal years 2012 and 2011, respectively, for tentative settlements of filed cost reports. Management expects to collect these receivables in full, however, the timing of collection from the State is uncertain, and is subject to the risk that the State may make changes to its existing laws or regulations due to budgetary needs.

Approximately 52% and 46% of net patient service revenue are from participation in the Medicare and state-sponsored Medicaid programs for the years ended June 30, 2012 and 2011, respectively. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation and change. As a result, it is reasonably possible that recorded estimates will change materially in the near term.

The Corporation has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations and preferred provider organizations. The basis for payment to the Corporation under these agreements includes prospectively determined rates per discharge, discounts from established charges and prospectively determined daily rates.

Note 3: Concentration of Credit Risk

The Corporation grants credit without collateral to its patients, most of whom are area residents and are insured under third-party payer agreements. The mix of gross receivables from patients and third-party payers at June 30, 2012 and 2011, is:

	2012	2011
Medicare	38%	43%
Medicaid	7%	4%
Anthem	4%	4%
Other third-party payers	37%	33%
Patients	14%	16%
	100%	100%

Note 4: Investments, Deferred Compensation and Investment Return

	2012	2011
Held by trustee under bond indenture agreements		
Cash and cash equivalents	$ 17,424,208	$ 20,158,060
Held by trustee for self-insurance trust		
Cash and cash equivalents	$ 11,103,816	$ 7,661,720
Fixed income securities	3,732,483	12,163,230
Equity securities	4,311,309	3,755,358
Private limited partnerships	5,500,529	3,692,134
	$ 24,648,137	$ 27,272,442

Other Investments

Other investments at June 30 include:

	2012	2011
Cash and cash equivalents	$ 60,241,264	$ 16,099,972
Fixed income securities	1,122,570	22,077,481
Equity securities		
Financial institutions and insurance industry	-	2,215,159
Healthcare and pharmaceutical industry	-	1,945,401
Global equity securities	-	4,724,080
Oil, gas and chemical industry	-	3,459,342
Technology and software industry	-	1,716,450
Electric and utilities industry	-	2,576,012
Manufacturing and wholesale industry	-	5,672,517
Construction and real estate industry	-	1,225,787
Retail services industry and other	-	4,778,378
Other	644,937	2,756,315
Charitable remainder trusts	1,168,135	1,241,965
Private limited partnerships	5,142,240	9,109,669
	68,319,146	79,598,528
Less internally designated	25,570,765	24,766,087
Less externally restricted	26,764,891	27,312,053
Short-term investments	$ 15,983,490	$ 27,520,388

Deferred Compensation Plan Assets

	2012	2011
Cash and cash equivalents	$ 1,172,983	$ 1,107,614
Mutual funds	7,570,898	7,946,327
Equities	488,090	503,471
Life insurance contracts	15,919,744	15,192,852
	$ 25,151,715	$ 24,750,264

Total investment return is comprised of the following:

	2012	2011
Interest and dividend income	$ 2,238,646	$ 2,478,975
Unrealized gains (losses)	(4,179,019)	6,080,786
Realized gains and losses	2,717,377	2,503,745
	$ 777,004	$ 11,063,506

Total investment return is reflected in the statements of operations and changes in net assets as follows:

	2012	2011
Unrestricted net assets		
Other operating income	$ 309,221	$ 297,689
Other nonoperating income	3,977,046	3,798,491
Change in unrealized gains and losses	(3,130,284)	4,313,611
Temporarily restricted net assets	(378,979)	2,653,715
	$ 777,004	$ 11,063,506

Private Limited Partnerships and Investment Trusts

Except as described below, the fair value of private limited partnerships and investment trusts has been estimated using the net asset value per share of the investments. Private limited partnerships and investment trusts held at June 30 consist of the following:

	June 30, 2012			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Limited partnership (A)	$ 1,527,445	$ -	Annually	90 days
Multistrategy hedge funds (B)	821,795	-	Quarterly	45 days
Multistrategy hedge funds (C)	2,107,117	-	Annually	90 days
Multistrategy hedge funds (D)	5,458,413	-	Quarterly	75 days
Funds of Funds (E)	727,999	-	Quarterly	65 days

	June 30, 2011			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Limited partnership (A)	$ 1,585,535	$ -	Annually	90 days
Multistrategy hedge funds (B)	1,842,357	-	Quarterly	45 days
Multistrategy hedge funds (C)	2,131,370	-	Annually	90 days
Multistrategy hedge funds (D)	6,530,803	-	Quarterly	75 days
Funds of Funds (E)	711,738		Quarterly	65 days

(A) This partnership invests primarily through a diversified group of money managers that as a group use a wide variety of investment techniques and strategies. The objective of the partnership is to seek consistent long-term growth of capital with reduced volatility. The partnership invests in securities and other financial instruments of the United States and foreign entities, including, equity and debt securities, options, future contracts, forward contracts and swap contracts.

(B) This partnership invests primarily through a diversified group of money managers to obtain higher performance and less volatility than if the partnership employed a single investment strategy. The fund invests in equity securities, debt securities, options, warrants, currencies, futures contracts, commodities, partnership interests, money market instruments, precious metals and other ownership interests and indebtedness.

(C) This fund was formed primarily with the purpose of achieving long-term growth of capital with reduced volatility and returns that demonstrate little or no correlation with either equity or bond markets, by allocating its capital among various money managers that, as a group, employ a variety of investment techniques and strategies. This fund invests in equity and debt securities in the United States and foreign issuers, options, futures contracts, forward contracts and swap contracts.

(D) This fund was formed primarily with the objective to achieve consistent returns with low correlation to the markets, while reducing risk through diversification, by utilizing a diverse group of low volatility alternative investment strategies, using a multimanager approach. Investments may include, but are not limited to, equity and fixed income securities, convertible and hybrid stocks and debt securities, preferred stocks, warrants and options, structured and other synthetic securities and related derivative instruments, such as swaps, forwards, options, futures, caps and floors, other derivatives, government and corporate securities, money market instruments, foreign currencies and interest in currencies, certificates of deposit, bankers' acceptances, trust receipts and trade and commercial obligations and loans.

(E) This fund is a feeder fund of a Trust. The investment objective of the fund is to realize appreciation in the value of its assets through the allocation of capital amount submanagers and the portfolio funds they operate.

Note 5: Investments in and Advances to Equity Investees

United Ambulance Service

CMMC has a 50% ownership of United Ambulance Service. CMMC's investment in United Ambulance Service is accounted for using the equity method of accounting in the accompanying financial statements.

The financial position at June 30, 2012 and 2011, and the results of operations for United Ambulance Service for the years then ended are summarized below:

	2012	2011
Current assets	$ 2,144,417	$ 1,645,918
Property and other long-term assets, net	3,325,343	3,730,447
Total assets	5,469,760	5,376,365
Current liabilities	710,445	551,700
Long-term liabilities	75,181	153,055
Total liabilities	785,626	704,755
Net assets	$ 4,684,134	$ 4,671,610
Revenues	$ 8,573,171	$ 8,486,808
Net income (loss)	$ 12,524	$ (1,686)

New England Life Care

CMMC has a 12% ownership of New England Life Care. CMMC's investment in New England Life Care is accounted for using the equity method of accounting in the accompanying financial statements.

The financial position at December 31, 2011 and 2010, and the results of operations for New England Life Care for the years then ended are summarized below:

	2011	2010
Total assets	$ 8,605,260	$ 9,178,191
Current liabilities	3,030,797	3,772,682
Long-term liabilities	12,469	96,959
Total liabilities	3,043,266	3,869,641
Net assets	$ 5,561,994	$ 5,308,550
Revenues	$ 24,946,915	$ 23,439,794
Excess (deficiency) of revenues over expenses	$ 253,344	$ (222,445)

Occupational Health, LLC

CMHV has a 10% ownership of Occupational Health, LLC. CMHV's investment in Occupational Health, LLC is accounted for using the equity method of accounting in the accompanying financial statements.

The financial position at December 31, 2011 and 2010, and the results of operations for Occupational Health, LLC for the years then ended are summarized below:

	2011	2010
Current assets	$ 878,985	$ 365,203
Property and other long-term assets, net	97,600	117,350
Total assets	976,585	482,553
Current liabilities	102,015	72,106
Long-term liabilities	20,135	19,878
Total liabilities	122,150	91,984
Net assets	$ 854,435	$ 390,569
Revenues	$ 2,470,201	$ 2,360,964
Net income	$ 494,879	$ 471,237

Central Maine Magnetic Imaging Associates

CMHV has a 43.75% ownership of Central Maine Magnetic Imaging Associates. CMHV's investment in Central Maine Magnetic Imaging Associates is accounted for using the equity method of accounting in the accompanying financial statements. During the years ended June 30, 2012 and 2011, CMHV received distributions of $607,250 and $676,378, respectively.

The financial position at June 30, 2012 and 2011, and the results of operations for Central Maine Magnetic Imaging Associates for the years then ended are summarized below:

	2012	2011
Current assets	$ 1,363,850	$ 1,254,584
Property and other long-term assets, net	780,023	891,826
Total assets	2,143,873	2,146,410
Current liabilities	630,596	414,590
Long-term liabilities	399,674	609,233
Total liabilities	1,030,270	1,023,823
Net assets	$ 1,113,603	$ 1,122,587
Revenues	$ 6,143,093	$ 6,002,690
Net income	$ 1,379,024	$ 1,343,711

Lifeflight of Maine

CMHC has a 50% ownership of Lifeflight of Maine. CMHC's investment in Lifeflight of Maine is accounted for using the equity method of accounting in the accompanying financial statements.

The financial position at June 30, 2012 and 2011, and the results of operations for Lifeflight of Maine for the years then ended are summarized below:

	2012	2011
Current assets	$ 3,717,109	$ 3,445,120
Property and other long-term assets, net	6,567,407	6,515,138
Total assets	10,284,516	9,960,258
Current liabilities	770,466	839,479
Long-term liabilities	5,444,178	5,642,746
Total liabilities	6,214,644	6,482,225
Net assets	$ 4,069,872	$ 3,478,033
Revenues	$ 8,472,697	$ 8,414,683
Net income	$ 591,839	$ 999,366

Maine Research Associates

During the year ended June 30, 2012, CMHV purchased 49% interest in Maine Research Associates for $950,000. CMHC's investment in Maine Research Associates is accounted for using the equity method of accounting in the accompanying financial statements.

The financial position for the period ended June 30, 2012, and the results of operations for Maine Research Associates are summarized below:

Total assets	$ 2,208,979
Total liabilities	5,206
Net assets	$ 2,203,773
Revenues	$ 885,030
Net income	$ 264,997

Premier Purchasing Partners

CMHC has a 2% ownership of Premier Purchasing Partners, L.P. During the years ended June 30, 2012 and 2011, CMHC received distributions of $608,457 and $234,912, respectively. CMHC's investment in Premier Purchasing Partners, L.P. is accounted for using the equity method of accounting in the accompanying financial statements.

Note 6: Notes and Other Receivables

In April 2008, CMHC advanced Parkview Adventist Medical Center (Parkview) $5,600,000 in the form of a demand promissory note, due April 25, 2013, and secured by substantially all of Parkview's assets. The interest rate is variable, equal at all time to the interest rate of CMHC's line of credit (*Note 9).* The note is due based on a 120-month installment payment schedule, with a balloon payment for the remaining balance due April 25, 2013. The outstanding balance of the note payable to CMHC at June 30, 2012 and 2011, was $5,022,833 and $5,513,444, respectively. All required payments on the note have been received through June 30, 2012.

Additionally, CMHC and CMMC provide physician coverage, management and other various services to Parkview routinely throughout the year under the terms of a management agreement.

At June 30, 2012 and 2011, the Corporation has a receivable of $2,368,603 and $3,027,854, respectively, for services rendered under this agreement. Parkview's December 31, 2011, audit was modified for substantial doubt about Parkview's ability to continue as going concern due to recurring losses from operations and net asset deficiencies. However, management believes the amounts due from Parkview are fully collectible and no reserve has been recorded for amounts due to CMHC or CMMC, based on their assessment of Parkview's improved operating results. It is reasonably possible these estimates could change materially in the near term.

During the year ended June 30, 2012, the Corporation filed a certificate of need with the State of Maine for Parkview to become a wholly owned subsidiary of CMHC. As of the time of the issuance of the financial statements, this request was still being reviewed by the State and no final determination had been made.

Note 7: Property and Equipment

Property and equipment consists of the following at June 30:

	2012	2011
Land and land improvements	$ 14,509,837	$ 14,408,167
Buildings and improvements	223,594,932	208,359,799
Major movable equipment, fixed equipment and vehicles	216,927,225	208,158,085
	455,031,994	430,926,051
Less accumulated depreciation	261,208,668	237,798,930
	193,823,326	193,127,121
Construction in progress	15,529,400	11,214,999
	$209,352,726	$204,342,120

At June 30, 2012, construction in progress was comprised of various minor construction projects, in addition to costs associated with implementing a new computer system throughout the Corporation. The new computer system project is expected to be completed in the spring of 2013 and is anticipated to cost approximately $16,000,000. In order to pay for the new computer system, management obtained financing from the vendor related to the system implementation (see *Note 12*).

Note 8: Self-Insurance

Malpractice

CMHC and its subsidiaries obtain professional and management liability insurance coverages on a claims made basis and general liability coverage on an occurrence basis from CWM, CMHC's wholly owned subsidiary. The medical professional liability insurance coverage limits are $2,000,000 per claim and $12,000,000 in the aggregate, coverage beginning January 1, 1979. Management liability insurance coverage limits are $1,000,000 per claim and $3,000,000 in the aggregate, coverage beginning May 29, 1987. General liability coverage limits are $2,000,000 per loss and $12,000,000 in the aggregate. Additionally, CWM also provides an excess policy where coverage is limited to $25,000,000 per claim and in the aggregate. Beginning July 1, 2007, CWM obtained reinsurance for 100% of the excess coverage, and prior to July 1, 2007, CWM reinsured 80% of the excess coverage.

Losses from asserted and unasserted claims identified under CWM's incident reporting system are accrued based on estimates that incorporate CWM's past experience, as well as other considerations, including the nature of each claim or incident and relevant trend factors.

The accrued liability for malpractice claims at June 30, 2012 and 2011, was $14,434,964 and $15,149,059, respectively. It is reasonably possible that CWM's estimate of losses will change by a material amount in the near term.

Effective July 1, 2011, CWM's aggregate limits increased from $10,000,000 to $12,000,000 for medical professional liability and general liability coverage. Under the excess policy coverage for CWM liability, coverage increased from $20,000,000 per claim and in aggregate to $25,000,000 per claim and in aggregate.

Effective July 1, 2012, CWM's medical professional liability policy was endorsed to include Directors and Officers and Employments Practices liability policy deductible buyback coverage. CWM's liability is limited to $50,000 and $75,000 in excess of CMHC's first dollar retention of $50,000 each on all losses respectively.

Health Insurance

The Corporation is self-insured for employee health coverage and has accrued an estimate of the ultimate costs for both claims reported and claims incurred but not reported. The accrual is based on the consideration of prior claims experience, recently settled claims, frequency of claims and other economic and social factors and is included in current accrued expenses on the balance sheets. It is reasonably possible that the Corporation's estimate will change by a material amount in the near term. Commercial stop-loss insurance coverage is purchased for claims in excess of the aggregate annual amount.

Worker's Compensation

The Corporation has a self-insurance program to provide for workers' compensation coverage and has accrued an estimate of the ultimate costs for both claims reported and claims incurred but not reported. A trust fund has been established for this purpose and is included in assets limited as to use. The accrual is based on the consideration of prior claims experience, recently settled claims, frequency of claims and other economic and social factors and is included in current accrued expenses on the balance sheets. It is reasonably possible that the Corporation's estimate will change by a material amount in the near term.

Liabilities for self-insurance costs for malpractice and workers' compensation are classified as current or long-term in the accompanying financial statements based on past experience, as well as other considerations, including the nature of each claim or incident and relevant trend factors.

In 2012, the Corporation adopted the provisions of Accounting Standards Update (ASU) 2010-24, *Health Care Entities (Topic 954): Presentation of Insurance Claims and Related Insurance Recoveries*, which eliminates the practice of netting claim liabilities with expected insurance recoveries for balance sheet presentation. Claim liabilities are to be determined without consideration of insurance recoveries. Expected recoveries are presented separately. Prior to the adoption of ASU 2010-24, accounting principles generally accepted in the United States of America required a health care provider to accrue only an estimate of the malpractice claim costs for both reported claims and claims incurred but not reported where the risk of loss had not been transferred to a financially viable insurer. There was no material impact of the ASU adoption to the Corporation's financial statements.

Note 9: Lines of Credit

The Corporation has entered into a revolving line of credit, with TD Banknorth, N.A., which provides borrowings up to $15,000,000, due March 11, 2014. Payments of interest only are due monthly at a rate of the one-month LIBOR plus 2.75%. The interest rate will be adjusted based on a review of the Corporation's quarterly financial statements to the one-month LIBOR plus 2.50% if days cash on hand is greater than 50 days, or to the one-month LIBOR plus 2.25% if days cash on hand is greater than 70 days. The interest rate at June 30, 2012, was 2.75%. This line of credit is secured by substantially all of the Corporation's assets. At June 30, 2012 and 2011, respectively, the balance outstanding on the line of credit was $4,762,789 and $0.

The Corporation has entered into a revolving line of credit, with TD Banknorth, N.A., which provides borrowings up to $25,000,000, due December 31, 2013. Payments of interest only are due monthly at a rate of the one-month LIBOR plus 2.75%. The interest rate will be adjusted based on a review of the Corporation's quarterly financial statements to the one-month LIBOR plus 2.50% if days cash on hand is greater than 50 days, or to the one-month LIBOR plus 2.25% if days cash on hand is greater than 70 days. The interest rate at June 30, 2012, was 2.75%. This line of credit is secured by substantially all of the Corporation's assets. At June 30, 2012 and 2011, respectively, the balance outstanding on the line of credit was $12,665,471 and $14,897,529.

Note 10: Long-Term Debt

	2012	2011
Revenue bonds (A)	$ 43,150,000	$ 44,390,000
Revenue bonds (B)	21,370,000	22,720,000
Revenue bonds (C)	2,465,000	2,535,000
Revenue bonds (D)	7,660,000	7,880,000
Revenue bonds (E)	55,605,000	55,935,000
Mortgage note payable (F)	732,386	751,152
Mortgage note payable (G)	685,226	702,038
Note payable (H)	2,901,451	3,324,604
Note payable (I)	2,113,628	2,421,884
Other (J)	54,049	106,611
Capital lease obligations (K)	15,969,582	2,590,541
	152,706,322	143,356,830
Less net discount on bonds	176,292	180,088
Less current maturities	6,612,369	4,943,514
	$ 145,917,661	$ 138,233,228

(A) Maine Health and Higher Educational Facilities Authority Fixed Rate Revenue Bonds, Central Maine Medical Center Issue, Series 2003A, interest rates ranging from 2.5% to 5.0%. The bonds are collateralized by CMMC's pledge of gross revenues and property. The bonds are payable in annual installments through July 1, 2032.

(B) Maine Health and Higher Educational Facilities Authority Fixed Rate Revenue Bonds, Central Maine Medical Center Issue, Series 2005B, interest rates ranging from 3.5% to 5.0%. The bonds are collateralized by CMMC's pledge of gross revenues and property. The bonds are payable in annual installments through July 1, 2030.

(C) Maine Health and Higher Educational Facilities Authority Fixed Rate Revenue Bonds, Rumford Community Home Issue, Series 2001A, interest rates ranging from 3.45% to 5.25%. The bonds are collateralized by Rumford's pledge of gross revenues and property. The bonds are payable in annual installments through July 1, 2031. CMHC as the parent, is also guarantor of these revenue bonds.

(D) Maine Health and Higher Educational Facilities Authority Fixed Rate Revenue Bonds, Bridgton Hospital Issue, Series 2001A, interest rates ranging from 3.45% to 5.25%. The bonds are collateralized by Bridgton's pledge of gross revenues and property. The bonds are payable in annual installments through July 1, 2031. CMHC as the parent, is also guarantor of these revenue bonds.

(E) Maine Health and Higher Educational Facilities Authority Fixed Rate Revenue Bonds, Central Maine Medical Center Issue, Series 2009A, interest rates ranging from 2.00% to 5.12%. The bonds are collateralized by CMHC's and CMMC's pledge of gross revenues and property. The bonds are payable in annual installments through July 1, 2039.

(F) U.S. Department of Agriculture, Rural Development mortgage notes payable due in monthly installments of principal and interest through December 2037, with interest rates at 4.88% and 5.00%, secured by Bridgton's assets and a pledge of future gross revenues.

(G) U.S. Department of Agriculture, Rural Development mortgage note payable due in monthly installments of principal and interest through May 2036, with interest rate of 4.50%. This mortgage note payable is secured by Rumford's assets and a pledge of future gross revenues.

(H) Note payable to Mechanic Savings Bank, with interest payments at 30-day LIBOR plus 1.65%, due November 12, 2018, secured by real estate. The interest rate at June 30, 2012 and 2011, was 1.89% and 1.84%, respectively.

(I) Note payable to Mechanic Savings Bank, with interest payments at 30-day LIBOR plus 1.65%, due November 12, 2018, secured by real estate. The interest rate at June 30, 2012 and 2011, was 1.89% and 1.84%, respectively.

(J) Note payable to a private individual, due in quarterly installments of principal and interest through July 1, 2013, secured by real estate. The interest rate on the note payable is 2.8%.

(K) At varying rates of imputed interest from 1.42% to 10.10%, due through 2019; collateralized by property and equipment. During the year ended June 30, 2012, the Corporation entered into a capital lease for their new computer system in the amount of $16,378,543 (see *Note 21*).

Aggregate annual maturities and sinking fund requirements of long-term debt and payments on capital lease obligations at June 30, 2012, are:

2013	$ 6,612,369
2014	7,173,848
2015	7,022,302
2016	6,926,817
2017	7,128,635
Thereafter	117,842,351
	$ 152,706,322

Note 11: Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purposes:

	2012	2011
Cardiac care	$ 274,525	$ 288,070
Healthcare services	3,925,238	3,264,095
Research	1,742	1,742
Purchase of capital	2,882,176	2,647,452
Charity care	586,914	676,453
Health education	1,071,364	1,453,718
Family practice	611,492	643,429
	$ 9,353,451	$ 8,974,959

Permanently restricted net assets are restricted to:

	2012	2011
Investments to be held in perpetuity, the income is unrestricted	$ 5,451,460	$ 5,525,020
Investments to be held in perpetuity, the income is restricted	13,181,560	12,495,753
	$ 18,633,020	$ 18,020,773

During 2012 and 2011, net assets were released from donor restrictions by incurring expenses, satisfying the restricted purposes in the amounts of $1,626,049 and $1,493,862, respectively. During 2012 and 2011, net assets of $10,500 and $34,323, respectively, were released to purchase equipment.

Note 12: Endowment

The Corporation's endowment consists of numerous individual funds established for a variety of purposes. The endowment includes both donor-restricted endowment funds and funds designated by the governing body to function as endowments (board-designated endowment funds). As required by accounting principles generally accepted in the United States of America (GAAP), net assets associated with endowment funds, including board-designated endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Corporation's governing body has interpreted the State of Maine Prudent Management of Institutional Funds Act (SPMIFA) as requiring preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Corporation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of donor-restricted endowment funds is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Corporation in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the Corporation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. Duration and preservation of the fund
2. Purposes of the Corporation and the fund
3. General economic conditions
4. Possible effect of inflation and deflation
5. Expected total return from investment income and appreciation or depreciation of investments
6. Other resources of the Corporation
7. Investment policies of the Corporation

The composition of net assets by type of endowment fund at June 30, 2012 and 2011, was:

	2012			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ -	$ 1,149,274	$ 17,465,621	$ 18,614,895
Board designated endowment funds	5,008,669	-	-	5,008,669
	$ 5,008,669	$ 1,149,274	$ 17,465,621	$ 23,623,564

	2011			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ -	$ 1,907,927	$ 16,779,546	$ 18,687,473
Board designated endowment funds	5,547,307	-	-	5,547,307
	$ 5,547,307	$ 1,907,927	$ 16,779,546	$ 24,234,780

Changes in endowment net assets for the years ended June 30, 2012 and 2011, were:

	2012			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 5,547,307	$ 1,907,927	$ 16,779,545	$ 24,234,779
Contributions	2,700	-	686,076	688,776
Total investment return	(291,709)	(349,725)	-	(641,434)
Appropriation of endowment assets for expenditure	(249,629)	(408,928)	-	(658,557)
Endowment net assets, end of year	$ 5,008,669	$ 1,149,274	$ 17,465,621	$ 23,623,564

	2011			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 4,909,514	$ (300,446)	$ 16,155,000	$ 20,764,068
Contributions	650	-	624,546	625,196
Total investment return	854,216	2,555,866	-	3,410,082
Appropriation of endowment assets for expenditure	(217,073)	(347,493)	-	(564,566)
Endowment net assets, end of year	$ 5,547,307	$ 1,907,927	$ 16,779,546	$ 24,234,780

The Corporation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs and other items supported by its endowment while seeking to maintain the purchasing power of the endowment. Endowment assets include those assets of donor-restricted endowment funds the Corporation must hold in perpetuity or for donor-specified periods, as well as those of board-designated endowment funds. Under the Corporation's policies and risk parameters, endowment assets are invested in a manner that is intended to produce results that are at least equal to the performance of the custom balanced index and rank in the top 33% of a nationally recognized evaluation service's universe for the comparable funds over a rolling five-year time period. The Corporation's custom index is comprised of the Standard & Poor's 500 Index, Russell 2000 Index, MSCI EAFE International Index and Solomon Brothers 90 day Treasury Bill Index and/or other appropriate indices. The Corporation expects its endowment funds to provide an average rate of return of approximately 8% annually over time. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate of return objectives, the Corporation relies on a total return strategy in which investment returns are achieved through both current yield (investment income such as dividends and interest) and capital appreciation (both realized and unrealized). The Corporation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

The Corporation has a policy (the spending policy) of appropriating for expenditure each year 4.5% of its endowment fund's average fair value as measured on July 1 of the new fiscal year. In establishing this policy, the Corporation considered the long-term expected return on its endowment. Accordingly, over the long term, the Corporation expects the current spending policy to allow its endowment to grow at an average of 8% annually. This is consistent with the Corporation's objective to maintain the purchasing power of endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment return.

Note 13: Charity Care

The costs of charity care provided under the Corporation's charity care policy were $10,519,686 and $7,668,239 for 2012 and 2011, respectively. The cost of charity care is estimated by applying the ratio of cost to gross charges to the gross uncompensated charges.

Note 14: Functional Expenses

The Corporation provides health care services primarily to residents within its geographic area. Expenses related to providing these services are as follows:

	2012	2011
Health care services	$ 352,518,013	$ 326,652,098
General and administrative	69,175,610	76,987,001
	$ 421,693,623	$ 403,639,099

Note 15: Pension Plan

The CMHC and certain affiliates have a contributory defined benefit pension plan covering all employees who meet the eligibility requirements. Effective December 31, 2001, Rumford merged into the CMHC plan. The funding policy is to make the minimum annual contribution that is required by applicable regulations, plus such amounts as CMHC may determine to be appropriate from time to time. CMHC expects to contribute $2,220,000 to the plan in 2013.

No employee hired after December 31, 2009, is eligible to participate in the defined benefit pension plan. Effective March 31, 2011, pension benefits for all employees in the defined benefit pension plan have been frozen. Effective July 1, 2011, all employees previously covered under the defined benefit plan can elect to participate in the Corporation's defined contribution plan.

CMHC uses a June 30 measurement date for the plans. Information about the plan's funded status follows:

	2012	2011
Benefit obligation	$ 141,233,228	$ 112,241,658
Fair value of plan assets	91,643,645	89,773,247
Funded status	$ (49,589,583)	$ (22,468,411)

Liabilities recognized in the balance sheets:

	2012	2011
Noncurrent liabilities	$ 49,589,583	$ 22,468,411

Amounts recognized in unrestricted net assets not yet recognized as components of net periodic benefit cost consist of:

	2012	2011
Net loss	$ (54,923,065)	$ (24,549,933)

Information for pension plans with an accumulated benefit obligation in excess of plan assets:

	2012	2011
Projected benefit obligation	$ 141,233,228	$ 112,241,658
Accumulated benefit obligation	$ 141,233,228	$ 112,241,658
Fair value of plan assets	$ 91,643,645	$ 89,773,247

Other significant balances and costs are:

	2012	2011
Employer contributions	$ 3,594,395	$ 16,100,000
Participant contributions	$ -	$ 1,613,843
Benefits paid	$ (4,481,647)	$ (3,980,477)
Benefit costs	$ 342,436	$ 5,450,046

Other changes in plan assets and benefit obligations recognized in the statements of operations and changes in net assets for the years ended June 30, 2012 and 2011:

	2012	2011
Amounts arising during the period		
Actuarial (gain) loss	$ 27,259,248	$ (2,374,479)
Curtailment gain	-	(13,778,957)
Actual return on plan assets	(2,757,650)	(10,701,558)
Expected return on plan assets	6,993,232	5,908,988
Net (gain) loss	$ 31,494,830	$ (20,946,006)
Amounts reclassified as components of net periodic benefit cost of the year		
Net loss	$ 1,121,698	$ 2,174,852
Net prior service cost	-	652,975

The estimated net loss for the defined benefit pension plan will be amortized into net periodic benefit cost over the next fiscal year is $3,560,187.

Significant assumptions include:

	2012	2011
Weighted average assumptions used to determine benefit obligations		
Discount rate	4.11%	5.62%
Weighted average assumptions used to determine benefit costs		
Discount rate	5.62%	5.72%
Expected return on plan assets	8.50%	8.50%

CMHC has estimated the long-term rate of return on plan assets based primarily on historical returns on plan assets, adjusted for changes in target portfolio allocations and recent changes in long-term interest rates based on publicly available information.

CMHC's overall investment strategy is to diversify investments among asset classes and management strategies in an attempt to minimize volatility while ensuring that a sufficient pool of assets is maintained at all times to meet the plan's current and future benefit obligations. The target asset allocation percentages for 2012 and 2011 are as follows:

	2012	2011
Fixed income securities	33%	33%
Equity securities	67%	67%
Private limited partnerships	0%	0%
Total	100%	100%

Pension Plan Assets

Following is a description of the valuation methodologies used for pension plan assets measured at fair value on a recurring basis and recognized in the accompanying balance sheets, as well as the general classification of pension plan assets pursuant to the valuation hierarchy.

Where quoted market prices are available in an active market, plan assets are classified within Level 1 of the valuation hierarchy. Level 1 plan assets include equity securities. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of plan assets with similar characteristics or discounted cash flows. Level 2 plan assets include cash and cash equivalents and fixed income securities. In certain cases where Level 1 or Level 2 inputs are not available, plan assets are classified within Level 3 of the hierarchy and include equity securities and private limited partnerships. For investments, other than the private limited partnerships and some equity securities classified as Level 3 investments, the inputs used by the pricing service to determine fair value may include one, or a combination of observable inputs such as benchmark yields, broker/dealer quotes, issuer spreads, benchmark securities and reference data market research publications. For the private limited partnerships, the net asset value reported by the fund manager is used to determine fair value.

Central Maine Healthcare Corporation and Subsidiaries

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

The fair values of CMHC's pension plan assets at June 30, 2012 and 2011, by asset class are as follows:

	2012 Fair Value Measurements Using			
	Total Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and cash equivalents	$ 343,442	$ 343,442	$ -	$ -
Fixed income securities	19,287,489	-	19,287,489	-
Equity securities	71,624,599	-	71,624,599	-
Private limited partnerships	388,115	-	-	388,115
Total	$ 91,643,645	$ 343,442	$ 90,912,088	$ 388,115

	2011 Fair Value Measurements Using			
	Total Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and cash equivalents	$ 1,304,843	$ 1,304,843	$ -	$ -
Fixed income securities	28,981,551	-	28,981,551	-
Equity securities	59,039,568	-	59,039,568	-
Private limited partnerships	447,285	-	-	447,285
Total	$ 89,773,247	$ 1,304,843	$ 88,021,119	$ 447,285

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)		
	Equity Securities	Private Limited Partnerships	Total
Balance at July 1, 2010	$ 8,433,683	$ 8,719,345	$ 17,153,028
Actual return on plan assets			
Relating to assets still held at the reporting date	-	62,015	62,015
Relating to assets still sold during the period	299,835	325,160	624,995
Purchases, sales and settlements	(8,733,518)	(8,659,235)	(17,392,753)
Balance at June 30, 2011	-	447,285	447,285
Actual return on plan assets			
Relating to assets still held at the reporting date	-	(21,876)	(21,876)
Relating to assets still sold during the period	-	(11,015)	(11,015)
Purchases, sales and settlements	-	(26,279)	(26,279)
Balance June 30, 2012	$ -	$ 388,115	$ 388,115

Plan assets are held by a bank-administered trust fund, which invests the plan assets in accordance with the provisions of the plan agreement. The plan agreements permit investment in common stocks, corporate bonds and debentures, U.S. government securities, certain insurance contracts, real estate and other specified investments and derivatives based on certain target allocation percentages.

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid as of June 30, 2012.

2013	$ 3,645,521
2014	4,134,657
2015	4,647,378
2016	5,126,631
2017	5,573,173
2018-2021	34,714,186

Defined Contribution Plan

Effective July 1, 2012, all employees previously covered under the defined benefit pension plan are now eligible to start accruing benefits under the 403(b) defined contribution plan. Prior to July 1, 2012, only Bridgton employees were participants in the defined contribution plan. This plan covers substantially all employees, and the Corporation matches employee contributions into the plan up to 2.5% of an employee's annual salary. Amounts contributed by the Corporation vest at 20% for each year of service until 100% vested after five years of service. Pension expense to the plan was $4,208,108 and $265,836 for 2012 and 2011, respectively.

Deferred Compensation Plan

The Corporation funds a deferred compensation plan 457(f) and 457(b) for the benefit of certain senior executives. The trust accounts assets are classified as other assets and a corresponding deferred compensation obligation has been recorded by the Corporation in the amount of $8,877,550 and $9,198,370 at June 30, 2012 and 2011, respectively.

The Corporation also funds a secured executive benefit plan for certain employees. Under this plan the Corporation purchases a life insurance policy for key members of management. Upon termination of the plan the Corporation will receive the premium payments, paid by the Corporation over the life of the policy and the employees will receive the amounts in excess of the premium payments to the Corporation. At June 30, 2012 and 2011, respectively, the Corporation had recorded investments of $15,919,747 and $15,192,852 included in deferred compensation assets.

Note 16: Disclosures About Fair Value of Assets and Liabilities

ASC Topic 820, Fair Value Measurements defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Topic 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 in active markets for identical assets or liabilities.

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Following is a description of the inputs and valuation methodologies used for assets measured at fair value on a recurring basis and recognized in the accompanying balance sheets, as well as the general classification of such assets pursuant to the valuation hierarchy.

Cash Equivalents and Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include cash equivalents, fixed income securities and equity securities. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics or discounted cash flows. Level 2 securities include cash equivalents, fixed income securities and equity securities. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy and include private limited partnerships. For investments other than the private limited partnerships, the inputs used by the pricing service to determine fair value may include one, or a combination of observable inputs such as benchmark yields, broker/dealer quotes, issuer spreads, benchmark securities and reference data market research publications. For the private limited partnerships, the net asset value reported by the fund manager was used to determine fair value.

Charitable Remainder Trusts

Fair value is estimated at the present value of the future distributions expected to be received over the term of the agreement. Due to the nature of the valuation inputs, the interest is classified within Level 2 of the hierarchy.

The following table presents the fair value measurements of assets recognized in the accompanying balance sheets measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2012 and 2011:

		Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
June 30, 2012				
Cash equivalents	$ 89,942,271	$ 89,915,736	$ 26,535	$ -
Fixed income securities	4,855,053	4,855,053	-	-
Equity securities	5,444,336	5,444,336	-	-
Private limited partnerships	10,642,769	-	-	10,642,769
Charitable remainder trusts	1,168,135	-	1,168,135	-
Mutual funds	7,570,898	7,570,898	-	-
June 30, 2011				
Cash equivalents	$ 45,027,366	$ 43,956,969	$ 1,070,397	$ -
Fixed income securities	34,240,711	5,641,657	28,599,054	-
Equity securities	35,328,270	33,908,253	1,420,017	-
Private limited partnerships	12,801,803	-	-	12,801,803
Charitable remainder trusts	1,241,965	-	1,241,965	-
Mutual funds	7,946,327	1,304,768	6,641,559	-

The following is a reconciliation of the beginning and ending balances of recurring fair value measurements recognized in the accompanying balance sheets using significant unobservable (Level 3) inputs:

Fair Value Measurements Using Significant Unobservable Inputs (Level 3)

	Private Equity Funds
Balance at July 1, 2010	$ 13,624,593
Total realized and unrealized losses included in other income (expense)	877,210
Purchases, sales and settlements	(1,700,000)
Balance at June 30, 2011	12,801,803
Total realized and unrealized losses included in other income (expense)	(252,934)
Purchases, sales and settlements	(1,906,100)
Balance at June 30, 2012	$ 10,642,769

Realized and unrealized gains and losses included in change in net assets for the period from July 1, 2010, through June 30, 2012, are reported in the statements of operations and changes in net assets as follows:

	2012		2011	
	Excess of Revenues Over Expenses	Changes in Net Assets	Excess of Revenues Over Expenses	Changes in Net Assets
Change in unrealized gains or losses relating to assets still held at the balance sheet date	$ (252,934)	$ -	$ 877,210	$ -

The following methods were used to estimate the fair value of all other financial instruments recognized in the accompanying balance sheets at amounts other than fair value.

Cash and Cash Equivalents

The carrying amount approximates fair value.

Notes Receivable

Fair value is estimated at the present value of the future payments expected to be received.

Estimated Amounts Due From Third-Party Payers

Fair value is estimated at the present value of the future payments expected to be received.

Defined Compensation Plan Assets

The carrying amount approximates fair value.

Line of Credit and Long-Term Debt

Fair value is estimated based on the borrowing rates currently available to the Corporation for bank loans with similar terms and maturities.

The following table presents estimated fair values of the Corporation's financial instruments not previously disclosed at June 30, 2012 and 2011.

	2012		2011	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Cash and cash equivalents	$ 27,308,135	$ 27,308,135	$ 22,482,931	$ 22,482,931
Estimated amounts due from third-party payers	49,177,989	49,177,989	39,581,463	39,581,463
Notes receivable	4,790,969	4,790,969	5,513,444	5,513,444
Deferred compensation plan assets	25,151,715	25,151,715	24,750,264	24,750,264
Financial Liabilities				
Line of credit	17,428,260	17,428,260	14,897,529	14,897,529
Long-term debt	152,530,030	159,318,324	143,176,742	145,444,830

Note 17: The Fair Value Option

As permitted by Topic 825, the Corporation has elected to measure its internally designated assets limited as to use and short-term investments at fair value. Management has elected the fair value option for these items because it more accurately reflects the portfolio returns and financial positions of the Corporation. Total investments at June 30, 2012 and 2011, are $41,554,255 and $52,286,475, respectively.

See *Note 16* for additional disclosures regarding fair value of these investments.

Changes in Fair Value

Changes in fair value for items for which the fair value option has been elected are reported as investment return in other income (expense) in the financial statements. The change for 2012 and 2011 was a decrease of $3,130,284 and an increase of $4,313,611, respectively, which reflects all investment return amounts from short-term investments and internally designated investments.

Note 18: Asset Retirement Obligation

Accounting principles generally accepted in the United States of America require that an asset retirement obligation (ARO) associated with the retirement of a tangible long-lived asset be recognized as a liability in the period in which it is incurred or becomes determinable (as defined by the standard) even when the timing and/or method of settlement may be conditional on a future event. The Corporation's conditional asset retirement obligations relate to environmental hazards contained in buildings that the Corporation owns. Environmental regulations exist that require the Corporation to handle and dispose of environmental hazards in a special manner if a building undergoes major renovations or is demolished.

A summary of changes in asset retirement obligations for the years ended June 30, 2012 and 2011, is included in the table below.

	2012	2011
Liability, beginning of year	$ 2,781,372	$ 2,746,243
Liabilities settled	(138,680)	(141,463)
Accretion expense	187,187	176,592
	$ 2,829,879	$ 2,781,372

Note 19: Significant Estimates and Concentrations

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

Allowance for Net Patient Service Revenue Adjustments

Estimates of allowances for adjustments included in net patient service revenue are described in *Notes 1* and *2*.

Self-Insured Malpractice, Workers' Compensation and Employee Health Claims

Estimates related to the accrual for medical malpractice, workers' compensation and health insurance claims are described in *Notes 1* and *8*.

Litigation

In the normal course of business, the Corporation is, from time to time, subject to allegations that may or do result in litigation. Some of these allegations are in areas not covered by the Corporation's self-insurance program (discussed elsewhere in these notes) or by commercial insurance; for example, allegations regarding employment practices or performance of contracts. The Corporation evaluates such allegations by conducting investigations to determine the validity of each potential claim. Based upon the advice of counsel, management records an estimate of the amount of ultimate expected loss, if any, for each of these matters. Events could occur that would cause the estimate of ultimate loss to differ materially in the near term.

Asset Retirement Obligation

As discussed in *Note 18,* the Corporation has recorded a liability for its conditional asset retirement obligation related to environmental hazards.

Pension Benefit Obligations

The Corporation has a contributory defined benefit pension plan whereby it agrees to provide certain postretirement benefits to eligible employees. The benefit obligation is the actuarial present value of all benefits attributed to service rendered prior to the valuation date based on the linear method. It is reasonably possible that events could occur that would change the estimated amount of this liability materially in the near term.

Investments

The Corporation invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the accompanying balance sheets.

Notes and Other Receivables

Due to the level of risk associated with certain notes and other receivables, it is at least reasonably possible that changes in the collectability of these receivables could occur in the near term and that such change could materially affect the amounts reported in the accompanying balance sheets.

Current Economic Conditions

The current protracted economic decline continues to present health systems with difficult circumstances and challenges, which in some cases have resulted in large and unanticipated declines in the fair value of investments and other assets, large declines in contributions, constraints on liquidity and difficulty obtaining financing. The financial statements have been prepared using values and information currently available to the Corporation.

Current economic conditions, including the rising unemployment rate, have made it difficult for certain of our patients to pay for services rendered. As employers make adjustments to health insurance plans or more patients become unemployed, services provided to self-pay and other payers may significantly impact net patient service revenue, which could have an adverse impact on the Corporation's future operating results. Further, the effect of economic conditions on the state may have an adverse effect on cash flows related to the Medicaid program.

Given the volatility of current economic conditions, the values of assets and liabilities recorded in the financial statements could change rapidly, resulting in material future adjustments in investment values (including defined benefit pension plan investments) and allowances for accounts and contributions receivable that could negatively impact the Corporation's ability to meet debt covenants or maintain sufficient liquidity.

Note 20: Information Technology Commitments

The Corporation has entered into an agreement with Cerner to provide software support services for the Corporation through 2018. The annual commitments for this agreement are as follows:

2013	$	1,318,948
2014		1,318,948
2015		1,318,948
2016		1,318,948
2017		1,318,948
2018		659,474
	$	7,254,214

Supplementary Information

Central Maine Healthcare Corporation and Subsidiaries

Consolidating Schedule – Balance Sheet Information

June 30, 2012

	Central Maine Healthcare Corporation (Parent)	Central Maine Medical Center	Central Maine Health Ventures, Inc. Consolidated
Assets			
Current Assets			
Cash and cash equivalents	$ 33,465,157	$ 31,251	$ 3,958,925
Assets limited as to use - current	82,592	5,660,225	-
Assets limited as to use held by trustee for bond project fund - current	-	-	-
Patient accounts receivable, net of allowance; $39,805,000	-	33,793,183	-
Short-term investments	9,193,929	5,951,809	72,060
Estimated amounts due from third-party payers - current	-	11,450,936	-
Supplies	-	2,558,455	21,529
Prepaid expenses and other	2,723,955	4,814,532	641,952
Due from affiliates	-	5,013,855	-
Total current assets	45,465,633	69,274,246	4,694,466
Assets Limited As To Use			
Internally designated	19,363,350	-	-
Externally restricted by donors	20,450,862	1,904,254	-
Held by trustee under bond indenture	-	15,790,114	-
Held by trustee for self-insurance trust	5,350,616	4,770,870	-
	45,164,828	22,465,238	-
Less amount required to meet current obligations	82,592	5,660,225	-
	45,082,236	16,805,013	-
Property and Equipment, Net	19,851,713	156,041,664	1,661,147
Other Assets			
Estimated amounts due from third-party payers	-	36,000,077	-
Interest in net assets of CMHC	-	21,725,351	-
Deferred compensation plan assets	20,753,916	2,422,283	1,975,516
Investment in equity investees	498,645	3,008,478	1,712,339
Notes receivable	4,790,969	-	-
Other	15,616,313	8,155,683	5,496,469
	41,659,843	71,311,872	9,184,324
Total assets	$ 152,059,425	$ 313,432,795	$ 15,539,937

CWM Insurance Ltd.	Other Central Maine Affiliates	Rumford Hospital and Affiliates	Bridgton Hospital	Eliminations and Reclassifications	Central Maine Healthcare Corporation Consolidated
$ 26,995,679	$ -	$ 67,745	$ 16,164,029	$ (53,374,651)	$ 27,308,135
4,714,813	-	187,546	429,033	-	11,074,209
-	-	-	-	-	-
-	-	4,113,592	5,782,687	-	43,689,462
-	-	255,238	510,454	-	15,983,490
-	-	2,113,627	414,172	(800,823)	13,177,912
-	-	237,906	307,630	-	3,125,520
2,472,175	115,698	330,534	303,516	-	11,402,362
-	-	2,089,682	19,765	(7,123,302)	-
34,182,667	115,698	9,395,870	23,931,286	(61,298,776)	125,761,090
-	5,245	2,519,310	3,682,860	-	25,570,765
-	-	1,021,547	3,388,228	-	26,764,891
-	-	391,802	1,242,292	-	17,424,208
14,526,651	-	-	-	-	24,648,137
14,526,651	5,245	3,932,659	8,313,380	-	94,408,001
4,714,813	-	187,546	429,033	-	11,074,209
9,811,838	5,245	3,745,113	7,884,347	-	83,333,792
-	1,787,715	13,897,030	16,113,457	-	209,352,726
-	-	-	-	-	36,000,077
-	-	-	-	(21,725,351)	-
-	-	-	-	-	25,151,715
-	2,034,936	-	-	-	7,254,398
-	-	-	-	-	4,790,969
-	-	678,841	846,313	(19,842,364)	10,951,255
-	2,034,936	678,841	846,313	(41,567,715)	84,148,414
$ 43,994,505	$ 3,943,594	$ 27,716,854	$ 48,775,403	$ (102,866,491)	$ 502,596,022

Central Maine Healthcare Corporation and Subsidiaries

Consolidating Schedule – Balance Sheet Information

June 30, 2012

	Central Maine Healthcare Corporation (Parent)	Central Maine Medical Center	Central Maine Health Ventures, Inc. Consolidated
Liabilities and Net Assets			
Current Liabilities			
Current maturities of long-term debt	$ 82,592	$ 5,660,225	$ -
Accounts payable	2,663,457	8,005,506	99,263
Accrued expenses	5,204,434	18,451,835	434,920
Cash overdraft	-	51,111,276	-
Due to affiliates	6,984,220	-	139,082
Estimated amounts due to third-party payers	-	-	800,823
Total current liabilities	14,934,703	83,228,842	1,474,088
Estimated Self-Insurance Costs	383,068	1,496,884	-
Line of Credit	15,338,017	2,090,243	-
Long-Term Debt	84,958	132,335,006	-
Pension Liabilities	42,647,041	3,967,167	-
Asset Retirement Obligations	-	1,927,151	-
Other Long-Term Liabilities	8,196,692	-	354,423
Total liabilities	81,584,479	225,045,293	1,828,511
Net Assets			
Unrestricted	48,456,885	64,762,732	-
Temporarily restricted	6,141,696	5,870,574	-
Permanently restricted	15,876,365	17,754,196	-
Partners' capital	-	-	-
Paid-in capital	-	-	43,544,129
Unrealized losses on investments	-	-	(12,163,375)
Retained earnings (deficit)	-	-	(17,669,328)
Total net assets	70,474,946	88,387,502	13,711,426
Total liabilities and net assets	$ 152,059,425	$ 313,432,795	$ 15,539,937

CWM Insurance Ltd.	Other Central Maine Affiliates	Rumford Hospital and Affiliates	Bridgton Hospital	Eliminations and Reclassifications	Central Maine Healthcare Corporation Consolidated
$ -	$ -	$ 234,723	$ 634,829	$ -	$ 6,612,369
449,301	41,647	667,659	719,413	-	12,646,246
-	204,176	1,848,239	1,920,676	-	28,064,280
-	2,263,375	-	-	(53,374,651)	-
-	-	-	-	(7,123,302)	-
-	-	-	-	(800,823)	-
449,301	2,509,198	2,750,621	3,274,918	(61,298,776)	47,322,895
14,434,964	-	-	-	-	16,314,916
-	-	-	-	-	17,428,260
-	-	4,045,245	9,452,452	-	145,917,661
-	-	2,975,375	-	-	49,589,583
-	-	373,593	529,135	-	2,829,879
-	-	-	-	-	8,551,115
14,884,265	2,509,198	10,144,834	13,256,505	(61,298,776)	287,954,309
-	(370,232)	17,065,715	31,956,212	24,783,930	186,655,242
-	-	251,730	2,449,681	(5,360,230)	9,353,451
-	-	254,575	1,113,005	(16,365,121)	18,633,020
50,000	-	-	-	(50,000)	-
4,400,000	3,721,669	-	-	(51,665,798)	-
-	-	-	-	12,163,375	-
24,660,240	(1,917,041)	-	-	(5,073,871)	-
29,110,240	1,434,396	17,572,020	35,518,898	(41,567,715)	214,641,713
$ 43,994,505	$ 3,943,594	$ 27,716,854	$ 48,775,403	$ (102,866,491)	$ 502,596,022

Central Maine Healthcare Corporation and Subsidiaries

Consolidating Schedule – Statement of Operations Information

Year Ended June 30, 2012

	Central Maine Healthcare Corporation (Parent)	Central Maine Medical Center	Central Maine Health Ventures, Inc. Consolidated
Unrestricted Revenues, Gains and Other Support			
Net patient service revenue	$ -	$ 313,703,865	$ 3,970,370
Other revenue	(29,903)	15,879,285	881,440
Net assets released from restrictions used for operations	1,520,624	45,131	-
Total unrestricted revenues, gains and other support	1,490,721	329,628,281	4,851,810
Expenses and Losses			
Salaries, wages and employee benefits	794,258	182,852,236	4,306,119
Supplies and other	(93,528)	99,161,372	1,930,797
Depreciation and amortization	17,107	21,163,163	227,745
Interest	52,257	3,483,594	-
Provision for uncollectible accounts	269,318	26,517,986	(238,503)
Total expenses and losses	1,039,412	333,178,351	6,226,158
Operating Income (Loss)	451,309	(3,550,070)	(1,374,348)
Other Income (Expense)			
Investment return	1,094,002	125,459	2,159
Realized gains (losses) on sale of investments	831,640	270,578	-
Change in unrealized gains (losses) on investments	(1,505,765)	(212,924)	-
Gain (loss) on investment in equity investees	686,609	18,820	890,810
Other	(587,584)	71,958	(6,457)
Total other income (expense)	518,902	273,891	886,512
Excess (Deficiency) of Revenues Over Expenses	970,211	(3,276,179)	(487,836)
Net assets released from restriction used for purchase of property and equipment	-	10,500	-
Grant funds used for acquisition of property and equipment	45,000	25,000	-
Change in defined benefit pension plan gains and losses, prior service costs and curtailments	(30,315,568)	-	-
Increase (Decrease) in Unrestricted Net Assets	$ (29,300,357)	$ (3,240,679)	$ (487,836)

CWM Insurance Ltd.	Other Central Maine Affiliates	Rumford Hospital and Affiliates	Bridgton Hospital	Eliminations and Reclassification	Central Maine Healthcare Corporation Consolidated
$ -	$ -	$ 40,466,895	$ 46,333,771	$ -	$ 404,474,901
10,445,428	742,749	969,524	877,638	(10,416,939)	19,349,222
-	-	6,058	54,236	-	1,626,049
10,445,428	742,749	41,442,477	47,265,645	(10,416,939)	425,450,172
-	451,817	25,374,370	24,854,119	-	238,632,919
2,903,770	469,123	11,891,227	13,681,666	(10,420,169)	119,524,258
-	52,929	1,360,168	1,408,950	-	24,230,062
-	-	186,519	491,982	3,230	4,217,582
-	-	3,341,538	5,198,463	-	35,088,802
2,903,770	973,869	42,153,822	45,635,180	(10,416,939)	421,693,623
7,541,658	(231,120)	(711,345)	1,630,465	-	3,756,549
290,086	-	72,999	83,859	-	1,668,564
1,127,831	-	33,017	45,416	-	2,308,482
(1,106,112)	-	(126,633)	(178,850)	-	(3,130,284)
-	295,919	-	-	-	1,892,158
(32,550)	-	(19,014)	99,917	-	(473,730)
279,255	295,919	(39,631)	50,342	-	2,265,190
7,820,913	64,799	(750,976)	1,680,807	-	6,021,739
			-		-
-	-	-		-	10,500
-	-	91,399	2,000	-	163,399
-	-	-	-	-	(30,315,568)
$ 7,820,913	$ 64,799	$ (659,577)	$ 1,682,807	$ -	$ (24,119,930)

Central Maine Healthcare Corporation and Subsidiaries

Consolidating Schedule – Statement of Changes in Net Assets Information

Year Ended June 30, 2012

	Central Maine Healthcare Corporation (Parent)	Central Maine Medical Center	Central Maine Health Ventures, Inc. Consolidated
Unrestricted Net Assets			
Excess (deficiency) of revenues over expenses	$ 970,211	$ (3,276,179)	$ (487,836)
Net assets released from restriction used for purchase of property and equipment	-	10,500	-
Grant funds used for acquisition of property and equipment	45,000	25,000	-
Change in defined benefit pension plan gains and losses, prior service costs and curtailments	(30,315,568)	-	-
Increase (decrease) in unrestricted net assets	(29,300,357)	(3,240,679)	(487,836)
Temporarily Restricted Net Assets			
Contributions received	2,299,564	5,186	-
Investment return	(715,542)	348,971	-
Change in net assets of CMHC	-	324,670	-
Net assets released from restriction	(1,520,624)	(55,631)	-
Increase (decrease) in temporarily restricted net assets	63,398	623,196	-
Permanently Restricted Net Assets			
Contributions received	16,120	669,587	-
Change in beneficial interest of perpetual trusts	(63,172)	-	-
Change in net assets of CMHC	-	(498,952)	-
Increase (decrease) in permanently restricted net assets	(47,052)	170,635	-
Change in Net Assets	(29,284,011)	(2,446,848)	(487,836)
Net Assets, Beginning of Year	99,758,957	90,834,350	14,199,262
Net Assets, End of Year	$ 70,474,946	$ 88,387,502	$ 13,711,426

CWM Insurance Ltd.	Other Central Maine Affiliates	Rumford Hospital and Affiliates	Bridgton Hospital	Eliminations and Reclassification	Central Maine Healthcare Corporation Consolidated
$ 7,820,913	$ 64,799	$ (750,976)	$ 1,680,807	$ -	$ 6,021,739
-	-	-		-	10,500
-	-	91,399	2,000	-	163,399
-	-	-	-	-	(30,315,568)
7,820,913	64,799	(659,577)	1,682,807	-	(24,119,930)
-	-	16,430	72,840	-	2,394,020
-	-	-	(12,408)	-	(378,979)
-	-	-		(324,670)	-
-	-	(6,058)	(54,236)	-	(1,636,549)
-	-	10,372	6,196	(324,670)	378,492
-	-	270	100	-	686,077
-	-	(2,068)	(8,590)	-	(73,830)
-	-		-	498,952	-
-	-	(1,798)	(8,490)	498,952	612,247
7,820,913	64,799	(651,003)	1,680,513	174,282	(23,129,191)
21,289,327	1,369,597	18,223,023	33,838,385	(41,741,997)	237,770,904
$ 29,110,240	$ 1,434,396	$ 17,572,020	$ 35,518,898	$ (41,567,715)	$ 214,641,713