

**IRS e-file Signature Authorization
for an Exempt Organization**

OMB No. 1545-1878

For calendar year 2011, or fiscal year beginning 10/01, 2011, and ending 9/30, 2012.

2011

Department of the Treasury
Internal Revenue Service

▶ **Do not send to the IRS. Keep for your records.**
▶ **See instructions.**

Name of exempt organization

Employer identification number

SEBASTICOOK VALLEY HEALTH

01-0263628

Name and title of officer

RANDALL CLARK

V.P. FINANCE

Part I Type of Return and Return Information (Whole Dollars Only)

Check the box for the return for which you are using this Form 8879-EO and enter the applicable amount, if any, from the return. If you check the box on line **1a, 2a, 3a, 4a,** or **5a,** below, and the amount on that line for the return being filed with this form was blank, then leave line **1b, 2b, 3b, 4b,** or **5b,** whichever is applicable, blank (do not enter -0-). But, if you entered -0- on the return, then enter -0- on the applicable line below. **Do not** complete more than 1 line in Part I.

1 a Form 990 check here	<input checked="" type="checkbox"/>	b Total revenue , if any (Form 990, Part VIII, column (A), line 12)	1 b <u>57,451,867.</u>
2 a Form 990-EZ check here	<input type="checkbox"/>	b Total revenue , if any (Form 990-EZ, line 9)	2 b _____
3 a Form 1120-POL check here	<input type="checkbox"/>	b Total tax (Form 1120-POL, line 22)	3 b _____
4 a Form 990-PF check here	<input type="checkbox"/>	b Tax based on investment income (Form 990-PF, Part VI, line 5)	4 b _____
5 a Form 8868 check here	<input type="checkbox"/>	b Balance Due (Form 8868, Part I, line 3c or Part II, line 8c)	5 b _____

Part II Declaration and Signature Authorization of Officer

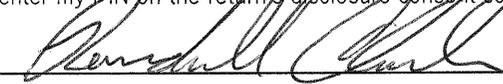
Under penalties of perjury, I declare that I am an officer of the above organization and that I have examined a copy of the organization's 2011 electronic return and accompanying schedules and statements and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the organization's electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the organization's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the organization's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the organization's electronic return and, if applicable, the organization's consent to electronic funds withdrawal.

Officer's PIN: check one box only

I authorize EASTERN MAINE HEALTHCARE SYSTEMS to enter my PIN 00928 as my signature
ERO firm name Enter five numbers, but do not enter all zeros

on the organization's tax year 2011 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I also authorize the aforementioned ERO to enter my PIN on the return's disclosure consent screen.

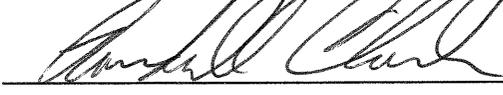
As an officer of the organization, I will enter my PIN as my signature on the organization's tax year 2011 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I will enter my PIN on the return's disclosure consent screen.

Officer's signature ▶  Date ▶ 8/13/13

Part III Certification and Authentication

ERO's EFIN/PIN. Enter your six-digit electronic filing identification number (EFIN) followed by your five-digit self-selected PIN 01048928460
do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2011 electronically filed return for the organization indicated above. I confirm that I am submitting this return in accordance with the requirements of **Pub 4163**, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns.

ERO's signature ▶  Date ▶ 8/13/13

**ERO Must Retain This Form – See Instructions
Do Not Submit This Form To the IRS Unless Requested To Do So**

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)

OMB No. 1545-0047

2011

Open to Public Inspection

Department of the Treasury
 Internal Revenue Service

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

A For the 2011 calendar year, or tax year beginning 10/01, 2011, and ending 9/30, 2012

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

C SEBASTICOOK VALLEY HEALTH
 447 NORTH MAIN STREET
 PITTSFIELD, ME 04967

D Employer Identification Number
 01-0263628

E Telephone number
 (207) 487-5141

G Gross receipts \$ 61,999,429.

F Name and address of principal officer: RANDALL CLARK
 Same As C Above

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)

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

J Website: ▶ <http://sebasticookvalleyhealth.org>

H(c) Group exemption number ▶ 5247

K Form of organization: Corporation Trust Association Other ▶

L Year of Formation: 1963 **M** State of legal domicile: ME

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: <u>Sebasticook Valley Health is a critical access hospital whose mission is to be the regional leader in meeting the health needs of our communities, providing quality care, always treating people with dignity and respect.</u>
	2 Check this box <input type="checkbox"/> 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 11
	4 Number of independent voting members of the governing body (Part VI, line 1b) 4 8
	5 Total number of individuals employed in calendar year 2011 (Part V, line 2a) 5 355
	6 Total number of volunteers (estimate if necessary) 6 0
	7a Total 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.	

	Prior Year	Current Year
8 Contributions and grants (Part VIII, line 1h).....	559,497.	936,706.
9 Program service revenue (Part VIII, line 2g).....	55,707,618.	55,453,544.
10 Investment income (Part VIII, column (A), lines 3, 4, and 7d).....	316,520.	313,987.
11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e).....	139,956.	747,630.
12 Total revenue — add lines 8 through 11 (must equal Part VIII, column (A), line 12).....	56,723,591.	57,451,867.

13 Grants and similar amounts paid (Part IX, column (A), lines 1-3).....		
14 Benefits paid to or for members (Part IX, column (A), line 4).....		
15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10).....	18,297,669.	19,559,725.
16a Professional fundraising fees (Part IX, column (A), line 11e).....		
b Total fundraising expenses (Part IX, column (D), line 25) ▶ 176,777.		
17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e).....	37,211,963.	37,134,113.
18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25).....	55,509,632.	56,693,838.
19 Revenue less expenses. Subtract line 18 from line 12.....	1,213,959.	758,029.

	Beginning of Current Year	End of Year
20 Total assets (Part X, line 16).....	30,808,810.	32,083,164.
21 Total liabilities (Part X, line 26).....	12,924,871.	12,794,323.
22 Net assets or fund balances. Subtract line 21 from line 20.....	17,883,939.	19,288,841.

Part II Signature Block

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

Sign Here

Signature of officer: *Randall Clark* Date: 8/13/13

Type or print name and title: RANDALL CLARK V.P. FINANCE

Paid Preparer Use Only

Print/Type preparer's name: _____ Preparer's signature: Self-Prepared Date: _____

Check if self-employed PTIN: _____

Firm's name: _____ Firm's EIN: _____

Firm's address: _____ Phone no.: _____

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission:

Sebasticook Valley Health is a critical access hospital whose mission is to be the regional leader in meeting the health needs of our communities, providing quality care, always treating people with dignity and respect.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? [] Yes [X] No
If 'Yes,' describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? [] Yes [X] No
If 'Yes,' describe these changes on Schedule O.

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

4a (Code: []) (Expenses \$ 48,582,575. including grants of \$ []) (Revenue \$ 56,097,629.)

See Schedule O

4b (Code: []) (Expenses \$ 1,077,949. including grants of \$ []) (Revenue \$ [])
Charity Care provided (at cost). 537 persons served.

4c (Code: []) (Expenses \$ [] including grants of \$ []) (Revenue \$ [])
Medicare Shortfalls (at cost). 4,033 persons served.

4d Other program services. (Describe in Schedule O.)
(Expenses \$ [] including grants of \$ []) (Revenue \$ [])

4e Total program service expenses ▶ 49,660,524.

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)? <i>If 'Yes,' complete Schedule A.</i>	X	
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> (see instructions)?	X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If 'Yes,' complete Schedule C, Part I.</i>		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? <i>If 'Yes,' complete Schedule C, Part II.</i>	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? <i>If 'Yes,' complete Schedule C, Part III.</i>		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? <i>If 'Yes,' complete Schedule D, Part I.</i>		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? <i>If 'Yes,' complete Schedule D, Part II.</i>		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If 'Yes,' complete Schedule D, Part III.</i>		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? <i>If 'Yes,' complete Schedule D, Part IV.</i>		X
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If 'Yes,' complete Schedule D, Part V.</i>	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? <i>If 'Yes,' complete Schedule D, Part VI.</i>	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? <i>If 'Yes,' complete Schedule D, Part VII.</i>		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? <i>If 'Yes,' complete Schedule D, Part VIII.</i>		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? <i>If 'Yes,' complete Schedule D, Part IX.</i>	X	
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If 'Yes,' complete Schedule D, Part X.</i>	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)? <i>If 'Yes,' complete Schedule D, Part X.</i>	X	
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If 'Yes,' complete Schedule D, Parts XI, XII, and XIII.</i>	X	
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If 'Yes,' and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional.</i>	X	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If 'Yes,' complete Schedule E.</i>		X
14a Did the organization maintain an office, employees, or agents outside of the United States?		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? <i>If 'Yes,' complete Schedule F, Parts I and IV.</i>		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? <i>If 'Yes,' complete Schedule F, Parts II and IV.</i>		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? <i>If 'Yes,' complete Schedule F, Parts III and IV.</i>		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? <i>If 'Yes,' complete Schedule G, Part I (see instructions).</i>		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? <i>If 'Yes,' complete Schedule G, Part II.</i>		X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If 'Yes,' complete Schedule G, Part III.</i>		X
20 a Did the organization operate one or more hospital facilities? <i>If 'Yes,' complete Schedule H.</i>	X	
b If 'Yes' to line 20a, did the organization attach a copy of its audited financial statements to this return?	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 governments and organizations in the United States on Part IX, column (A), line 1? <i>If 'Yes,' complete Schedule I, Parts I and II.</i>		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? <i>If 'Yes,' complete Schedule I, Parts I and III.</i>		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? <i>If 'Yes,' complete Schedule J.</i>	X	
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, and that was issued after December 31, 2002? <i>If 'Yes,' answer lines 24b through 24d and complete Schedule K. If 'No,' go to line 25.</i>	X	
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		X
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		X
d Did the organization act as an 'on behalf of' issuer for bonds outstanding at any time during the year?		X
25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If 'Yes,' complete Schedule L, Part I.</i>		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? <i>If 'Yes,' complete Schedule L, Part I.</i>		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? <i>If 'Yes,' complete Schedule L, Part II.</i>		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? <i>If 'Yes,' complete Schedule L, Part III.</i>		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? <i>If 'Yes,' complete Schedule L, Part IV.</i>		X
b A family member of a current or former officer, director, trustee, or key employee? <i>If 'Yes,' complete Schedule L, Part IV.</i>		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? <i>If 'Yes,' complete Schedule L, Part IV.</i>		X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If 'Yes,' complete Schedule M.</i>		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If 'Yes,' complete Schedule M.</i>		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If 'Yes,' complete Schedule N, Part I.</i>		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If 'Yes,' complete Schedule N, Part II.</i>		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? <i>If 'Yes,' complete Schedule R, Part I.</i>		X
34 Was the organization related to any tax-exempt or taxable entity? <i>If 'Yes,' complete Schedule R, Parts II, III, IV, and V, line 1.</i>	X	
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?	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)? <i>If 'Yes,' complete Schedule R, Part V, line 2.</i>	X	
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If 'Yes,' complete Schedule R, Part V, line 2.</i>		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? <i>If 'Yes,' complete Schedule R, Part VI.</i>		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.	X	

BAA

Form 990 (2011)

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		
1 a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	1 a	84		
1 b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1 b	0		
1 c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1 c	X		
2 a	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.	2 a	355		
2 b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	2 b	X		
Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file. (see instructions)					
3 a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3 a			X
3 b	If 'Yes' has it filed a Form 990-T for this year? If 'No,' provide an explanation in Schedule O.	3 b			
4 a	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)?	4 a			X
4 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.				
5 a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5 a			X
5 b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5 b			X
5 c	If 'Yes,' to line 5a or 5b, did the organization file Form 8886-T?	5 c			
6 a	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?	6 a			X
6 b	If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6 b			
7 Organizations that may receive deductible contributions under section 170(c).					
7 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?	7 a			X
7 b	If 'Yes,' did the organization notify the donor of the value of the goods or services provided?	7 b			
7 c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7 c			X
7 d	If 'Yes,' indicate the number of Forms 8282 filed during the year.	7 d			
7 e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7 e			X
7 f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7 f			X
7 g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7 g			
7 h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7 h			
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.					
9 a	Did the organization make any taxable distributions under section 4966?	9 a			
9 b	Did the organization make a distribution to a donor, donor advisor, or related person?	9 b			
10 Section 501(c)(7) organizations. Enter:					
10 a	Initiation fees and capital contributions included on Part VIII, line 12.	10 a			
10 b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.	10 b			
11 Section 501(c)(12) organizations. Enter:					
11 a	Gross income from members or shareholders.	11 a			
11 b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11 b			
12 a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12 a			
12 b	If 'Yes,' enter the amount of tax-exempt interest received or accrued during the year.	12 b			
13 Section 501(c)(29) qualified nonprofit health insurance issuers.					
13 a	Is the organization licensed to issue qualified health plans in more than one state?	13 a			
Note. See the instructions for additional information the organization must report on Schedule O.					
13 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.	13 b			
13 c	Enter the amount of reserves on hand	13 c			
14 a	Did the organization receive any payments for indoor tanning services during the tax year?	14 a			X
14 b	If 'Yes,' has it filed a Form 720 to report these payments? If 'No,' provide an explanation in Schedule O.	14 b			

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

Section A. Governing Body and Management

		Yes	No
1 a Enter the number of voting members of the governing body at the end of the tax year.	1 a 11		
If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.			
b Enter the number of voting members included in line 1a, above, who are independent	1 b 8		
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? See Schedule O	6	X	
7 a 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? . . See Schedule O	7 a	X	
b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or other persons other than the governing body? See Sch O	7 b	X	
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:			
a The governing body?	8 a	X	
b Each committee with authority to act on behalf of the governing body?	8 b	X	
9 Is there any officer, director or 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
10 a Did the organization have local chapters, branches, or affiliates?	10 a	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?	10 b	X	
11 a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11 a	X	
b Describe in Schedule O the process, if any, used by the organization to review this Form 990. See Schedule O			
12 a Did the organization have a written conflict of interest policy? If 'No,' go to line 13	12 a	X	
b Were officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12 b	X	
c Did the organization regularly and consistently monitor and enforce compliance with the policy? If 'Yes,' describe in Schedule O how this is done See Schedule O	12 c	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. . See Schedule O	15 a	X	
b Other officers of key employees of the organization.	15 b		X
If 'Yes' to line 15a or 15b, describe the process in Schedule O. (See instructions.)			
16 a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16 a		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 taken steps to safeguard the organization's exempt status with respect to such arrangements?	16 b		

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 (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.
 Own website Another's website Upon request
- 19** Describe in Schedule O whether (and if so, how) the organization makes its governing documents, conflict of interest policy, and financial statements available to the public during the tax year. See Schedule O
- 20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization:
 ▶ RANDALL L CLARK 447 NORTH MAIN STREET PITTSFIELD ME 04967 207-487-5141

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

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

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

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

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

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

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

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) DEBRA ACHRAMOWICZ BOARD MEMBER	0	X					0.	0.	0.	
(2) KRISHNA BHATTA, MD BOARD MEMBER	0	X					0.	0.	0.	
(3) CHARLIE CIANCHETTE BOARD MEMBER	0	X					0.	0.	0.	
(4) JACK PALMER BOARD MEMBER	0	X					0.	0.	0.	
(5) JARED WILKINSON, DPM CHIEF OF STAFF	40	X		X			172,570.	0.	26,835.	
(6) MICHAEL GALLAGHER Vice Chair	0	X		X			0.	0.	0.	
(7) BETTY LOU MITCHELL BOARD MEMBER	0	X					0.	0.	0.	
(8) DAVID RICHARDSON BOARD MEMBER	0	X					0.	0.	0.	
(9) ROBERT SCHLAGER CMO	40	X		X			0.	0.	0.	
(10) RANDALL CLARK CFO	40	X		X			163,520.	0.	28,581.	
(11) VICTORIA ALEXANDER-LANE President & CEO	40	X		X			260,042.	0.	28,452.	
(12) ANDREW GIBSON BOARD MEMBER	0	X					0.	0.	0.	
(13) MICHAEL HODGINS Chairman	0	X		X			0.	0.	0.	
(14) CHARLIE KLEIN CNO	40			X			85,929.	0.	4,420.	

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

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Sch O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(15) TERESA P VIEIRA COO	40			X				177,423.	0.	23,632.
(16) MICHAEL D PETERSON CAO	40			X				139,742.	0.	22,822.
(17) LIISA HAAPENEN-JANELLE CHIEF HR OFFICE	40			X				134,657.	0.	12,327.
(18) JO-NELL BENEDETTO VCHIEF OF STAFF	39			X				171,164.	0.	5,280.
(19) JENNIFER A. DIEHL PHYSICIAN	40					X		179,680.	0.	8,176.
(20) ALAN D. LILLY, D.O. SURGEON	20					X		314,504.	0.	22,255.
(21) HENRY PERRY CRNA	40					X		190,443.	0.	7,768.
(22) STEVEN J BADEEN, M.D. PHYSICIAN	40					X		236,220.	0.	26,291.
(23) TODD A TRITCH, M.D. ER PHYSICIAN	39					X		331,756.	0.	21,967.
(24) HOWARD MARGOLSKEE, M CHIEF OF STAFF	0						X	200,482.	0.	19,878.
(25) _____										
1 b Sub-total								2,758,132.	0.	258,684.
c Total from continuation sheets to Part VII, Section A								0.	0.	0.
d Total (add lines 1b and 1c)								2,758,132.	0.	258,684.
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? <i>If 'Yes,' complete Schedule J for such individual.</i>	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? <i>If 'Yes' complete Schedule J for such individual.</i>	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? <i>If 'Yes,' complete Schedule J for such person.</i>	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
EASTERN MAINE HEALTHCARE 43 WHITING ROAD BREWER, ME 04412	SERVICE CONTRACT	1,253,065.
LOCUMTENENS, COM P O BOX 405547 ATLANTA, GA 30384-5547	SERVICE CONTRACT	917,621.
LAVALLEE/BRENSINGER ARCHITECHTS 155 DOW STREET SUITE 400 MANCHESTER,	SERVICE CONTRACT	902,439.
NEHE MRI LLC P O BOX 6600 NEWPORT BEACH, CA 92658	SERVICE CONTRACT	540,089.
EASTERN MAINE MEDICAL CENTER 769 ESSEX STREET BANGOR, ME 04401	SERVICE CONTRACT	535,312.

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 ▶ 14

Part VIII Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
CONTRIBUTIONS, GIFTS, GRANTS AND OTHER SIMILAR AMOUNTS	1 a Federated campaigns	1 a 2,500.					
	b Membership dues	1 b					
	c Fundraising events	1 c					
	d Related organizations	1 d 5,000.					
	e Government grants (contributions)	1 e 511,058.					
	f All other contributions, gifts, grants, and similar amounts not included above	1 f 418,148.					
	g Noncash contributions included in lns 1a-1f: \$	2,500.					
	h Total. Add lines 1a-1f		936,706.				
PROGRAM SERVICE REVENUE	2 a <u>CRITICAL ACCESS HOSPITAL</u>		Business Code 621990	55,453,544.	55,453,544.		
	b -----						
	c -----						
	d -----						
	e -----						
	f All other program service revenue						
	g Total. Add lines 2a-2f			55,453,544.			
OTHER REVENUE	3 Investment income (including dividends, interest and other similar amounts)		288,536.			288,536.	
	4 Income from investment of tax-exempt bond proceeds						
	5 Royalties						
	6 a Gross rents	(i) Real	(ii) Personal				
		b Less: rental expenses					
		c Rental income or (loss)					
		d Net rental income or (loss)					
	7 a Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
		4,566,963.	6,050.				
		b Less: cost or other basis and sales expenses					
		4,471,899.	75,663.				
	c Gain or (loss)	95,064.	-69,613.				
	d Net gain or (loss)			25,451.		25,451.	
	8 a 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					
	9 a Gross income from gaming activities. See Part IV, line 19	a					
b Less: direct expenses		b					
c Net income or (loss) from gaming activities							
10 a Gross sales of inventory, less returns and allowances	a						
	b Less: cost of goods sold	b					
	c Net income or (loss) from sales of inventory						
Miscellaneous Revenue		Business Code					
11 a <u>Meaningful Use</u>	621990		568,724.	568,724.			
b <u>Cafeteria Revenue</u>	621990		103,545.		103,545.		
c <u>Misc Revenue</u>	621990		65,458.	65,458.			
d All other revenue			9,903.	9,903.			
e Total. Add lines 11a-11d			747,630.				
12 Total revenue. See instructions			57,451,867.	56,097,629.	0.	417,532.	

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. X

Do not include amounts reported on lines 6a, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21.				
2 Grants and other assistance to individuals in the United States. See Part IV, line 22.				
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16.				
4 Benefits paid to or for members.				
5 Compensation of current officers, directors, trustees, and key employees.	1,457,396.	1,203,082.	254,314.	0.
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.	0.	0.	0.
7 Other salaries and wages.	14,516,667.	11,827,811.	2,688,856.	
8 Pension plan accruals and contributions (include section 401(k) and section 403(b) employer contributions).	322,316.	241,737.	80,579.	
9 Other employee benefits.	2,157,563.	1,488,718.	668,845.	
10 Payroll taxes.	1,105,783.	784,023.	321,760.	
11 Fees for services (non-employees):				
a Management				
b Legal	36,491.		36,491.	
c Accounting	161,766.		161,766.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17.				
f Investment management fees	1,555.		1,555.	
g Other				
12 Advertising and promotion.	179,925.	10,182.	169,743.	
13 Office expenses.	755,471.	668,525.	86,946.	
14 Information technology.	195,504.	195,504.		
15 Royalties.				
16 Occupancy.	673,993.	598,110.	75,883.	
17 Travel.	182,505.	125,743.	56,762.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials.				
19 Conferences, conventions, and meetings.	120,003.	58,910.	61,093.	
20 Interest.	160,720.	160,720.		
21 Payments to affiliates.				
22 Depreciation, depletion, and amortization.	1,462,269.	1,192,611.	269,658.	
23 Insurance.	204,362.	204,362.		
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 Contractual adjustments	18,499,488.	18,499,488.		
b Purchase Services	3,961,517.	2,282,334.	1,679,183.	
c Medical Supplies	2,472,901.	2,472,901.		
d Bad Debt Expense	2,377,780.	2,377,780.		
e All other expenses. See Sch. O.	5,687,863.	5,267,983.	243,103.	176,777.
25 Total functional expenses. Add lines 1 through 24e.	56,693,838.	49,660,524.	6,856,537.	176,777.
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 <input type="checkbox"/> if following SOP 98-2 (ASC 958-720).				

Part X Balance Sheet

		(A)		(B)	
		Beginning of year		End of year	
ASSETS	1	Cash — non-interest-bearing	76,423.	1	1,513.
	2	Savings and temporary cash investments	4,016,241.	2	1,481,501.
	3	Pledges and grants receivable, net	3,293.	3	288,788.
	4	Accounts receivable, net	2,442,809.	4	3,725,154.
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions)		6	
	7	Notes and loans receivable, net		7	
	8	Inventories for sale or use	292,770.	8	269,383.
	9	Prepaid expenses and deferred charges	452,113.	9	223,923.
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 29,727,046.		
	b	Less: accumulated depreciation	10b 17,111,380.	9,758,428.	10c 12,615,666.
	11	Investments — publicly traded securities		11	
	12	Investments — other securities. See Part IV, line 11		12	
	13	Investments — program-related. See Part IV, line 11		13	
	14	Intangible assets		14	
	15	Other assets. See Part IV, line 11	13,766,733.	15	13,477,236.
16	Total assets. Add lines 1 through 15 (must equal line 34)	30,808,810.	16	32,083,164.	
LIABILITIES	17	Accounts payable and accrued expenses	3,327,114.	17	4,789,323.
	18	Grants payable		18	
	19	Deferred revenue		19	
	20	Tax-exempt bond liabilities	3,193,922.	20	2,843,485.
	21	Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23	Secured mortgages and notes payable to unrelated third parties	279,677.	23	94,953.
	24	Unsecured notes and loans payable to unrelated third parties		24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	6,124,158.	25	5,066,562.
	26	Total liabilities. Add lines 17 through 25	12,924,871.	26	12,794,323.
NET ASSETS OR FUND BALANCES	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29 and lines 33 and 34.				
	27	Unrestricted net assets	17,364,283.	27	18,459,725.
	28	Temporarily restricted net assets	180,129.	28	465,878.
	29	Permanently restricted net assets	339,527.	29	363,238.
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> 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.	17,883,939.	33	19,288,841.
34	Total liabilities and net assets/fund balances.	30,808,810.	34	32,083,164.	

BAA

Form 990 (2011)

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	57,451,867.
2	Total expenses (must equal Part IX, column (A), line 25)	2	56,693,838.
3	Revenue less expenses. Subtract line 2 from line 1	3	758,029.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	17,883,939.
5	Other changes in net assets or fund balances (explain in Schedule O). See Schedule O	5	646,873.
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	19,288,841.

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: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> 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?		X
2b	Were the organization's financial statements audited by an independent accountant?	X	
2c	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.	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: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input checked="" type="checkbox"/> 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?		X
3b	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.		

BAA

Form 990 (2011)

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 SEBASTICOOK VALLEY HEALTH	Employer identification number 01-0263628
--	---

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

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

- 1 A church, convention of churches or association of churches described in **section 170(b)(1)(A)(i)**.
- 2 A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E.)
- 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state: _____
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
- 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 8 A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 9 An organization that normally receives: (1) more than 33-1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions – subject to certain exceptions, and (2) no more than 33-1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III.)
- 10 An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
- 11 An organization organized and operated exclusively for the benefit of, to perform the functions of, or 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 is a Type I, Type II or Type III supporting organization, check this box.
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

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

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

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

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

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

Section A. Public Support

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

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
7 Amounts from line 4.						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources.						
9 Net income from unrelated business activities, whether or not the business is regularly carried on.						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 Total support. Add lines 7 through 10.						
12 Gross receipts from related activities, etc (see instructions).					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here .						<input type="checkbox"/>

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 the line 14 is 33-1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization.		<input type="checkbox"/>
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.		<input type="checkbox"/>
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.		<input type="checkbox"/>
b 10%-facts-and-circumstances test – 2010. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the 'facts-and-circumstances' test, check this box and stop here. Explain in Part IV how the organization meets the 'facts-and-circumstances' test. The organization qualifies as a publicly supported organization.		<input type="checkbox"/>
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.		<input type="checkbox"/>

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 yr 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 yr 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 lns 9, 10c, 11, and 12.)						

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

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

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

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

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

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

SCHEDULE C
(Form 990 or 990-EZ)

Political Campaign and Lobbying Activities

OMB No. 1545-0047

2011

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.**

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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 35a (Proxy Tax), then

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

Name of organization SEBASTICOOK VALLEY HEALTH	Employer identification number 01-0263628
--	---

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 ▶ \$ _____ 0.
- 2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ \$ _____ 0.
- 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)	-----			

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

Schedule **C** (Form 990 or 990-EZ) 2011

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												
1 a 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.														
<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">If the amount on line 1e, column (a) or (b) is:</th> <th style="text-align: left;">The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e.</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000.</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000.</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000.</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000.</td> </tr> </tbody> </table>	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.		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:													
Not over \$500,000	20% of the amount on line 1e.													
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.													
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.													
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.													
Over \$17,000,000	\$1,000,000.													
g Grassroots nontaxable amount (enter 25% of line 1f).....														
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-.....														
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?.....		<input type="checkbox"/> Yes <input type="checkbox"/> 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.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) Total
2a Lobbying non-taxable amount.....					
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.....					

BAA

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

	(a)		(b)
	Yes	No	Amount
<i>For each 'Yes' response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.</i>			
See Part IV			
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		7,036.
j Total. Add lines 1c through 1i.			7,036.
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		X	
b If 'Yes,' enter the amount of any tax incurred under section 4912.			
c If 'Yes,' enter the amount of any tax incurred by organization managers under section 4912.			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?		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.

Part II-B - Description of Lobbying Activity

NON DEDUCTIBLE DUES

**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, lines 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

Employer identification number

SEBASTICOOK VALLEY HEALTH

01-0263628

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?.....	<input type="checkbox"/> Yes	<input type="checkbox"/> 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?.....	<input type="checkbox"/> Yes	<input type="checkbox"/> 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).

<input type="checkbox"/> Preservation of land for public use (e.g., recreation or education)	<input type="checkbox"/> Preservation of an historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of a certified historic structure
<input type="checkbox"/> Preservation of open space	

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

	Held at the End of the 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.

1 a 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.

1 a 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

2 a 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
1 a Beginning of year balance	103,495.	103,495.	103,495.	103,495.	
b Contributions					
c Net investment earnings, gains, and losses	2,500.	-1,616.	13,493.	4,092.	
d Grants or scholarships					
e Other expenditures for facilities and programs		-1,616.	13,493.	4,092.	
f Administrative expenses					
g End of year balance	105,995.	103,495.	103,495.	103,495.	

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 100.00 %
- c Temporarily restricted endowment _____ %

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

3 a 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	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(ii) related organizations	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b If 'Yes' to 3a(ii), are the related organizations listed as required on Schedule R?	<input type="checkbox"/>	<input type="checkbox"/>

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

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
1 a Land		433,067.		433,067.
b Buildings		9,912,815.	4,663,806.	5,249,009.
c Leasehold improvements		113,586.	37,019.	76,567.
d Equipment		18,468,408.	11,848,638.	6,619,770.
e Other		799,170.	561,917.	237,253.
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				12,615,666.

Part VII Investments – Other Securities. See Form 990, Part X, line 12. N/A

(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, column (B) line 12.)		

Part VIII Investments – Program Related. See Form 990, Part X, line 13. N/A

(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, column (B) line 13.)		

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

(a) Description	(b) Book value
(1) Assets Whose Use is Limited	1,175,171.
(2) Beneficial Interest-Perpetual Trusts	257,243.
(3) Board Designated Investments	9,391,723.
(4) Bond Issuance Costs	42,303.
(5) Endowment fund investment	252,395.
(6) Other Assets	9,000.
(7) Third party settlements	2,349,401.
(8)	
(9)	
(10)	
Total. (Column (b) must equal Form 990, Part X, column (B), line 15.)	13,477,236.

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

(a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) Accrued for Self-Ins Post Employee	5,555.
(3) Estimated Third Party Settlements	5,061,007.
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
Total. (Column (b) must equal Form 990, Part X, column (B) line 25.)	5,066,562.

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). See Part XIV

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)	57,451,867.
2	Total expenses (Form 990, Part IX, column (A), line 25)	56,693,838.
3	Excess or (deficit) for the year. Subtract line 2 from line 1	758,029.
4	Net unrealized gains (losses) on investments	684,048.
5	Donated services and use of facilities	
6	Investment expenses	
7	Prior period adjustments	
8	Other (Describe in Part XIV.) See Part XIV	-37,175.
9	Total adjustments (net). Add lines 4 through 8	646,873.
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	1,404,902.

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	37,402,127.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments	2a	681,548.
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV.) See Part XIV	2d	-20,372,431.
e	Add lines 2a through 2d	2e	-19,690,883.
3	Subtract line 2e from line 1	3	57,093,010.
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.) See Part XIV	4b	358,857.
c	Add lines 4a and 4b	4c	358,857.
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	5	57,451,867.

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return			
1	Total expenses and losses per audited financial statements	1	36,321,407.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV.)	2d	
e	Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1	3	36,321,407.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV.) See Part XIV	4b	20,372,431.
c	Add lines 4a and 4b	4c	20,372,431.
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)	5	56,693,838.

Part XIV Supplemental Information

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

Part V, Line 4 - Intended Uses Of Endowment Fund

Endowment funds are designated for purposes that align within this organizations exempt purpose

Part X - FIN 48 Footnote

The Hospital is exempt from federal and state income taxes under section 501(c)(3) of the Internal Revenue Code. Accordingly, there is no provision for income taxes within the financial statements.

Tax-exempt organizations could be required to record an obligation for income taxes

Part XIV Supplemental Information (continued)

Part X - FIN 48 Footnote (continued)

as the result of a tax position they have historically taken on various tax exposure items including unrelated business income or tax status. Under guidance issued by the Financial Accounting Standards Board, assets and liabilities are established for uncertain tax positions taken or positions expected to be taken in income tax returns when such positions are judged to not meet the "more-likely-than-not" threshold, based upon the technical merits of the position. Estimated interest and penalties, if applicable, related to uncertain tax positions are included as a component of income tax expense.

The Hospital has evaluated the positions taken on its filed tax returns and has concluded no uncertain income tax positions exist at September 30, 2012. The Hospital's tax years from 2009 through 2012 are open and subject to examination.

Client SVH

SEBASTICOOK VALLEY HEALTH

01-0263628

8/24/13

01:48PM

Schedule D, Part XI, Line 8
Other Changes In Net Assets Or Fund Balances

Change in beneficial Interest Trust.....	\$	21,205.
Transfer to exempt parent - Eastern Maine Healthcare Systems.....		-58,380.
Total	\$	<u>-37,175.</u>

Schedule D, Part XII, Line 2d
Other Revenue Included In F/S But Not Included On Form 990

Charity Care expense reclassified to expense.....	\$	-1,860,037.
Contractual expense reclassified to expense.....		-18,499,490.
Fund Raising expense reclassified to exp.....		-12,904.
Total	\$	<u>-20,372,431.</u>

Schedule D, Part XII, Line 4b
Other Revenue Included On Form 990 But Not Included In F/S

Restricted Contributions from Fund Balan.....	\$	417,364.
Restricted Expense from Fund Balance.....		-58,507.
Total	\$	<u>358,857.</u>

Schedule D, Part XIII, Line 4b
Other Expenses Included On Form 990 But Not Included In F/S

Charity Care expense reclass from revenu.....	\$	1,860,037.
Contractual expense reclass from revenue.....		18,499,490.
Fundraising expense reclass from revenue.....		12,904.
Total	\$	<u>20,372,431.</u>

**SCHEDULE H
(Form 990)**

Hospitals

OMB No. 1545-0047

2011

**Open to Public
Inspection**

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

Department of the Treasury
Internal Revenue Service

Name of the organization

SEBASTICOOK VALLEY HEALTH

Employer identification number

01-0263628

Part I Financial Assistance and Certain Other Community Benefits at Cost

		Yes	No
1a Did the organization have a financial assistance policy during the tax year? If 'No,' skip to question 6a.....	1a	X	
b If 'Yes,' was it a written policy?.....	1b	X	
2 If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to the various hospital facilities during the tax year. <input type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> 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 <i>free</i> care? If 'Yes,' indicate which of the following was the FPG family income limit for eligibility for free care:..... <input type="checkbox"/> 100% <input type="checkbox"/> 150% <input checked="" type="checkbox"/> 200% <input type="checkbox"/> Other _____ %	3a	X	
b Did the organization use FPG to determine eligibility for providing <i>discounted</i> care? If 'Yes,' indicate which of the following was the family income limit for eligibility for discounted care:..... <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input type="checkbox"/> Other _____ %	3b		X
c If the organization did not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care. See Part VI			
4 Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the 'medically indigent'?.....	4	X	
5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?.....	5a	X	
b If 'Yes,' did the organization's financial assistance expenses exceed the budgeted amount?.....	5b		X
c If 'Yes' to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?.....	5c		
6a Did the organization prepare a community benefit report during the tax year?.....	6a	X	
b If 'Yes,' did the organization make it available to the public?.....	6b	X	

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

7 Financial Assistance and Certain Other Community Benefits at Cost

	(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
Financial Assistance and Means-Tested Government Programs						
a Financial Assistance at cost (from Worksheet 1).....		537	1,077,949.		1,077,949.	3.17
b Medicaid (from Worksheet 3, column a).....						
c Costs of other means-tested government programs (from Worksheet 3, column b).....			204,672.		204,672.	0.60
d Total Financial Assistance and Means-Tested Government Programs.....	0	537	1,282,621.	0.	1,282,621.	3.77
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4).....	14	945	570,835.	4,174.	566,661.	1.67
f Health professions education (from Worksheet 5).....						
g Subsidized health services (from Worksheet 6).....	1		25,847.		25,847.	0.08
h Research (from Worksheet 7).....	1		111,442.		111,442.	0.33
i Cash and in-kind contributions for community benefit (from Worksheet 8).....						
j Total. Other Benefits.....	16	945	708,124.	4,174.	703,950.	2.08
k Total. Add line 7d and 7j.....	16	1,482	1,990,745.	4,174.	1,986,571.	5.85

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	1		4,500.		4,500.	0.01
8 Workforce development						
9 Other						
10 Total	1	0	4,500.	0.	4,500.	0.01

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

1 Does the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?

	Yes	No
1	X	
2		
3		
4		
5		
6		
7		
9a	X	
9b	X	

2 Enter the amount of the organization's bad debt expense **2** 1,372,679.

3 Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy **3**

4 Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit. **Part VI**

Section B. Medicare

5 Enter total revenue received from Medicare (including DSH and IME) **5** 11,257,005.

6 Enter Medicare allowable costs of care relating to payments on line 5. **6** 11,257,005.

7 Subtract line 6 from line 5. This is the surplus (or shortfall) **7**

8 Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: **Part VI**

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 VI**

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 (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: Sebasticook Valley Health

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	X
If 'Yes,' indicate what the Needs Assessment describes (check all that apply):		
a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
b <input checked="" type="checkbox"/> Demographics of the community		
c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d <input checked="" type="checkbox"/> How data was obtained		
e <input checked="" type="checkbox"/> The health needs of the community		
f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs		
j <input checked="" type="checkbox"/> Other (describe in Part VI) Part VI		
2 Indicate the tax year the hospital facility last conducted a Needs Assessment: _____		
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	X
Part VI		
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	X
Part VI		
5 Did the hospital facility make its Needs Assessment widely available to the public?	5	X
If 'Yes,' indicate how the Needs Assessment was made widely available (check all that apply):		
a <input checked="" type="checkbox"/> Hospital facility's website		
b <input checked="" type="checkbox"/> Available upon request from the hospital facility		
c <input checked="" type="checkbox"/> Other (describe in Part VI) Part VI		
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply):		
a <input checked="" type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community		
b <input type="checkbox"/> Execution of the implementation strategy		
c <input type="checkbox"/> Participation in the development of a community-wide community benefit plan		
d <input type="checkbox"/> Participation in the execution of a community-wide community benefit plan		
e <input type="checkbox"/> Inclusion of a community benefit section in operational plans		
f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the Needs Assessment		
g <input checked="" type="checkbox"/> Prioritization of health needs in its community		
h <input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
i <input checked="" type="checkbox"/> Other (describe in Part VI) 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	X
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: <u>200</u> %		
If 'No,' explain in Part VI the criteria the hospital facility used.		

Part V Facility Information (continued)

	Yes	No
10 Used FPG to determine eligibility for providing <i>discounted care</i> ?		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 <input checked="" type="checkbox"/> Income level		
b <input type="checkbox"/> Asset level		
c <input type="checkbox"/> Medical indigency		
d <input type="checkbox"/> Insurance status		
e <input type="checkbox"/> Uninsured discount		
f <input type="checkbox"/> Medicaid/Medicare		
g <input type="checkbox"/> State regulation		
h <input type="checkbox"/> 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 <input checked="" type="checkbox"/> The policy was posted on the hospital facility's website		
b <input type="checkbox"/> The policy was attached to billing invoices		
c <input type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms		
d <input type="checkbox"/> The policy was posted in the hospital facility's admissions offices		
e <input type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility		
f <input checked="" type="checkbox"/> The policy was available on request		
g <input checked="" type="checkbox"/> Other (describe in Part VI)		

Part VI

Billing and Collections

14 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	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 <input type="checkbox"/> Reporting to credit agency		
b <input type="checkbox"/> Lawsuits		
c <input type="checkbox"/> Liens on residences		
d <input type="checkbox"/> Body attachments		
e <input type="checkbox"/> Other similar actions (describe in Part VI)		
16 Did the hospital facility or an authorized a 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 <input type="checkbox"/> Reporting to credit agency		
b <input type="checkbox"/> Lawsuits		
c <input type="checkbox"/> Liens on residences		
d <input type="checkbox"/> Body attachments		
e <input type="checkbox"/> 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 <input type="checkbox"/> Notified patients of the financial assistance policy on admission		
b <input type="checkbox"/> Notified patients of the financial assistance policy prior to discharge		
c <input type="checkbox"/> Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills		
d <input type="checkbox"/> Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy		
e <input type="checkbox"/> Other (describe in Part VI)		

BAA

Part V Facility Information (continued)

Policy Relating to Emergency Medical Care

	Yes	No
18 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?.....	X	
If 'No,' indicate why:		
a <input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions		
b <input type="checkbox"/> The hospital facility's policy was not in writing		
c <input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)		
d <input type="checkbox"/> 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 <input type="checkbox"/> The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged		
b <input type="checkbox"/> The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged		
c <input type="checkbox"/> The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged		
d <input checked="" type="checkbox"/> Other (describe in Part VI) 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?.....		X
If 'Yes,' explain in Part VI.		
21 Did the hospital facility charge any of its FAP-eligible patients an amount equal to the gross charge for any service provided to that patient?.....		X
If 'Yes,' explain in Part VI.		

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? 9

Name and address	Type of Facility (describe)
1 SVH Convenient Care, LLC 1573 Main Street Newport, ME 04953	Outpatient Medical Facility
2 SVH Rehabilitation Services 141 Leighton Street Pittsfield, ME 04967	Outpatient Medical Facility
3 SVH Sleep Center of Maine 114 Chandlet Street Pittsfield, ME 04967	Outpatient Medical Facility
4 SVH Rehabilitation Services 118 Moosehead Trail, Suite 4 Newport, ME 04953	Outpatient Medical Facility
5 SVH Speciality Physicians 72 North Main Road Detroit, ME 04929	Outpatient Medical Facility
7 SVH Family Care 470 Somerset Avenue Pittsfield, ME 04967	Outpatient Medical Facility
8 SVH Family Care 8 Main Street Newport, ME 04953	Outpatient Medical Facility
9 SVH Family Care & Speciality Physicians 1309 Main Street, Unit 1 Clinton, ME 04927	Outpatient Medical Facility
1 Sebasticook Valley Work Health, LLC 125 Main Street Pittsfield, ME 04967	Outpatient Medical Facility

BAA

Schedule H (Form 990) 2011

Part VI Supplemental Information

Complete this part to provide the following information.

- 1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.
- 2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.
- 3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.
- 4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
- 5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).
- 6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

Part I, Line 3c - Charity Care Eligibility Criteria (FPG Is Not Used)

SVH uses 200% over the FPG and reviews each patient information on a case by case basis.

Part I, Line 6a - Related Organization Community Benefit Report

Leadership: Victoria Alexander-Lane, President and CEO and Michael A. Hodgins, Esq.,

Chair Location: Pittsfield, Clinton, Detroit, Newport, Palmyra

Employees: 333

Description: Twenty-five bed critical access hospital with a women's health center; surgical, special care and swing bed units; rehabilitation centers; occupational health services; diagnostics; laboratory; cardiopulmonary services; primary, walk-in, and specialty practices; diabetes and nutrition clinic; sleep study center; and community health services including dental health and transportation.

SVH Highlights

- Recognized by Leapfrog for high quality care for the third consecutive year - the only hospital in Maine to be recognized three years consecutively.

- Received the Leadership Award from the Veteran's Administration for patient care quality and efforts to improve patient experience.

- Received Joint Commission recognition for Core Measures Excellence with three-year

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.
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- 6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

Part I, Line 6a - Related Organization Community Benefit Report (continued)

accreditation.

- Recognized by Wellness Council of America (WELCOA) with a platinum level award for their Wellness Program.

- Received National Committee for Quality Assurance (NCQA) designation in all three locations for SVH Family Care, and was approved for phase two of the primary care Patient Centered Medical Home.

- Launched the "Little Beacon" program in the Sebasticook Valley region.

A Winning Team for Patients and Providers!

Whether we're talking about baseball or healthcare, we all know that it takes a strong, well-organized team to come out on top. The healthcare landscape of today is vastly changing and how we care for our patients at the primary care level is evolving. Building a winning team through an accountable care model is helping us to better meet the needs of our patients and keep them healthier. New to our EMHS starting lineup are three regional nurse care coordinators, as well as transitional nurse care coordinators. Don't call them rookies though! These added members come with a wealth of experience and have been an active part of the healthcare team.

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.
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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 hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).
- 6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

Part I, Line 6a - Related Organization Community Benefit Report (continued)

They're hitting homeruns to keep our patients at their best and out of the hospital.

Part I, Line 7 - Explanation of Costing Methodology

Ratio of Patient Care Cost-to-Charges is used in calculation

Part I, Line 7, Column F - Explanation of Bad Debt Expense

2,377,779 of bad debt expense, \$1,860,037 of charity care, \$18,499,488 of contractual allowances is included on Form 990, Part IX, line 25, column (A)

Part III, Line 4 - Bad Debt Expense

The allowance for doubtful accounts is provided based on an analysis by management of the collectability of outstanding balances. Management considers the age of outstanding balances and past collection efforts in determining the allowance for doubtful accounts. Accounts deemed uncollectible are charged off against the established allowance. The costing methodology used to determine the amount reported on line 2 is cost to charge ratio.

Financial Statement footnote in regards to Charity Care and Bad Debts:

The Hospital accepts all patients regardless of their ability to pay. A patient is classified as a charity patient by reference to certain established policies of the Hospital. Essentially, these policies define charity care as those services for which no payment is anticipated. In assessing a patient's inability to pay, the

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.
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- 5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).
- 6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

Part III, Line 4 - Bad Debt Expense (continued)

Hospital utilizes generally recognized poverty income levels, but also includes certain cases where incurred charges are significant when compared to income.

Charity care is measured based on the Hospital's established rates. These charges are not included in net patient service revenue. The costs and expenses incurred in providing these services are included in operating expenses. Revenue for services rendered to individuals from payment is expected and ultimately not received is written off and included as part of the provision for bad debts.

Part III, Line 8 - Explanation Of Shortfall As Community Benefit

Medicare losses should be treated as a community benefit because the losses are incurred in performing an important public service, and Maine hospitals experience one of the lowest Medicare reimbursement rates in the country.

Part III, Line 9b - Provisions On Collection Practices For Qualified Patients

All account guarantors who express an inability to pay inpatient and outpatient services will be screened for eligibility for charity care using an application and guidelines established by Seabasticook Valley Hospital. An account may be reconsidered for charity care at any time when new information is available about a patient's inability to pay.

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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- 5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).
- 6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

Part V, Line 1j - Description of Other Needs Assessment

1a. Sebesticook Valley serves a population of approximately 30,000 people in Southern Penobscot, Southern Somerset, Northern Kennebec, and Western Waldo Counties. The counties where the largest number of patients reside, Penobscot and Somerset, had median annual household incomes of \$43,601 and \$37,875 respectively. Families living in poverty numbered 16.3% in Penobscot County and 18.5% in Somerset County.

1b. Sebesticook Valley Health and its related physician practices utilize extensive electronic medical records, including disease registries, which provide a vast amount of data relative to patients in care. The needs assessment provides a broader picture of the community as a whole, including the health status and social-demographics (such as employment, income, and education levels). The local units of the State's public health infrastructure (known as Healthy Maine Partnerships) are also itegrated into the process so that their relative to health, environmental and social measures are part of the community dissemination process.

1c. In the Somerset County/Sebesticook Valley service area, key collaborators include, Sebesticook Valley Health (Hospital/primary care services/outpatient services), Sebesticook Family Doctors (FQHC), other primary care practices, Healthy

Part VI Supplemental Information

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Part V, Line 1j - Description of Other Needs Assessment (continued)

SV (public health /HMP) coalition partners , including schools, EMS services, law enforcement, members of the business community, and public officials.

ld-le-1f EMHS, the parent company of Seabasticook Valley Health, routinely conducts a community health needs assessment (Hereafter needs assessment) across the service area of all of its member hospitals. The most recent assessment, published in 2011, was conducted under a contract with the University of New England Center for Health Planning, Policy and Research (CHPPR) and the University of Southern Maine's Muskie School for Public Health. Using a methodology developed by CHPPR over decades of work, the assessment integrates primary data from a telephone survey to heads of households with secondary data retrieved from state databases (ED usage, Mortality, Cancer Registry, etc.). That data is reviewed in the context of multiple health related domains to develop a composite view of health status, behavioral risks, and barriers to access and care. Results are compared to national and state benchmarks to produce priorities and recommendations as prepared by the consultants.

1.g. (See question #3)

1.h.On a statewide basis, the research consultants developed an advisory committee

Part VI Supplemental Information

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Part V, Line 1j - Description of Other Needs Assessment (continued)

that met two times during the assessment research and drafting of the publication.

These individuals represented a broad spectrum of backgrounds, and they are named:

Carol Bell, Healthy Maine Partnership Director; Kelly Bentley, Healthy Maine

Partnership Director; Gail Dana-Sacco, Wabanaki Center (serving tribal populations);

Patricia Hart, Maine Development Foundation; Barbara Leonard, MPH, Maine Health

Access Foundation (philanthropic foundation focused on access to care in Maine);

Becca Matusovich, Maine Center for Disease Control; Lisa Miller, Bingham Foundation

(philanthropic foundation); Dora Ann Mills, MD, Maine Center for Disease Control;

Elizabeth Mitchell, Maine Health Management Coalition (representing the state's

major employers, insurers and providers); Trish Riley, Governor's Office of Health

Policy and Finance (GOHPF); Brian Rines, Advisory Committee for Health System

Development (overseen by GOHPF); Rachel Talbot-Ross, Maine Chapter, NAACP; Ted

Trainer, Public Health Coordinating Council Shawn Yardley, City of Bangor,

Department of Health and Welfare. In the local area served by the assessment,

multiple parties were engaged in dissemination of the assessment findings and

establishment of priorities (see Section 5).

NOTE:

As a result of a software defect the 2011 tax year is not populating

Part VI Supplemental Information

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Part V, Line 3 - Account Input from Person Who Represent the Community

On a statewide basis, the research consultants developed an advisory committee that met two times during the assessment research and drafting of the publication. These individuals represented a broad spectrum of backgrounds, and they are named: Carol Bell, Healthy Maine Partnership Director; Kelly Bentley, Healthy Maine Partnership Director; Gail Dana-Sacco, Wabanaki Center (serving tribal populations); Patricia Hart, Maine Development Foundation; Barbara Leonard, MPH, Maine Health Access Foundation (philanthropic foundation focused on access to care in Maine); Becca Matusovich, Maine Center for Disease Control; Lisa Miller, Bingham Foundation (philanthropic foundation); Dora Ann Mills, MD, Maine Center for Disease Control; Elizabeth Mitchell, Maine Health Management Coalition (representing the state's major employers, insurers and providers); Trish Riley, Governor's Office of Health Policy and Finance (GOHPF); Brian Rines, Advisory Committee for Health System Development (overseen by GOHPF); Rachel Talbot-Ross, Maine Chapter, NAACP; Ted Trainer, Public Health Coordinating Council Shawn Yardley, City of Bangor, Department of Health and Welfare.

Part V, Line 4 - List Other Hospital Facilities that Jointly Conducted Needs Assessment

The needs assessment was developed as a statewide collaborative between the state's three largest health systems: EMHS (in central, eastern and northern Maine), MaineGeneral (in central Maine) and MaineHealth (in southern Maine). Multiple

Part VI Supplemental Information

Complete this part to provide the following information.

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Part V, Line 4 - List Other Hospital Facilities that Jointly Conducted Needs Assessment (continued)

collaborators were involved in the dissemination of the assessment findings and establishment of priorities (see Section 5).

Part V, Line 5c - Description of Making Needs Assessment Widely Available

In conjunction with EMHS, Sebesticook Valley Health hosted a community forum to present an overview of local assessment results and recommendations. Invitees included: Other area hospitals, Physician leaders, Federally Qualified Health Centers, Healthy Maine Partnerships, District Liaisons linked to Maine CDC, Home Health and Long Term Care leaders, Social Service Agencies, Leaders of the tribal communities, Business leaders, Legislative leaders, Representatives of the State administration

Attendees were provided an executive summary of the assessment as well as a summary table of data reflective of the service area. A presentation was made by EMHS staff who were members of the assessment development steering committee providing selected data results, trends over time and the priorities and recommendations as suggested by the research consultants.

In addition to the community forums, the entire statewide assessment (both narrative and data sets) were posted to the EMHS website. After the forums, Power Point presentations used at the Forum as well as input collected in the breakout sessions were also posted on the website. Forum participants were encouraged to go to the

Part VI Supplemental Information

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Part V, Line 5c - Description of Making Needs Assessment Widely Available (continued)

website to review the assessment in detail, and access the data for local planning.

Media releases were also sent to local news outlets in combination with the forums, encouraging new articles on the forum and inviting all members of the public to view the report on the website.

Instructions on the website assist viewers to download and /or print sections of the report. Individuals without computer or printer access were provided a phone number where they can request a printed assessment

Part V, Line 6i - Describe Other Needs Identified

Our Community Health Needs Assessment priorities include Substance Abuse and Mental Health, Access to Care, Obesity Prevention and Chronic Disease Management.

Sebasticook Valley Health plans to meet the prioritized needs through the following initiatives and resources:

Substance Abuse

SVH is the fiscal agent for a federal Drug Free Communities (DFC) grant. The DFC coalition is implementing a multi-pronged approach to the substance abuse needs in our communities. These initiatives include:

Part VI Supplemental Information

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Part V, Line 6i - Describe Other Needs Identified (continued)

Partnering with schools to implement evidence-based substance abuse prevention programs, such as Tar Wars, LifeSkills and Restorative Practices.

Sponsoring and promoting prescription take-back programs and raising awareness of the prescription drug problem with educational campaigns

Working with law enforcement on increasing "party patrols" and compliance checks.

Hosting responsible beverage server/seller trainings for on-and off- premise licensees.

Working with local "Little Beacon" project- and law enforcement to implement the "Diversion Alert" program - an electronic registry of drug diversion arrests.

Equipped four law enforcement agencies with Medication Locked Drop Boxes, allowing for ongoing collection for safe disposal.

Sponsored and organized "High on Life, Not on Drugs 4:20 Run" a 5K event to promote the "Above The Influence" campaign.

Access to Care

The vision for SVH primary care is to provide a Patient Centered Medical Home model that removes barriers for patients by connecting them to necessary and appropriate resources for the care needed. To that end,

SVH:

Part VI Supplemental Information

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Part V, Line 6i - Describe Other Needs Identified (continued)

Continues to participate in, and facilitate the local "Little Beacon" project whose goal is to facilitate healthcare in the region by removing barriers and creating patient navigation channels/protocols.

Collaborating with EMHS to establish a Community Care Team, an element of the Patient Centered Medical Home effort to improve care for patients with complex or chronic conditions.

Collaborating with HealthySV to establish an online community resource database.

Continue to integrate community health and population management strategies, such as Living Well program, an evidenced-based patient self-management program developed by Stanford University.

Launched Occupational Health services through SVH Work Health.

Obesity

SVH in collaboration with HealthySV, the local HMP, is working on several initiatives addressing obesity prevention:

NAP SACC, an evidenced-based program to assess childcare policies and practices, and implement strategies to increase youth physical activity and improve nutrition

Cooking Matters, a collaborative with Good Shepherd Food Bank to deliver cooking and nutrition education in community settings

Winter Walking Program, a collaborative with local schools to offer safe indoor

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Part V, Line 6i - Describe Other Needs Identified (continued)

walking for the general public

Active promoter of Move and Improve program

Living Well For Better Health program- Addresses weight management strategies.

Chronic Disease Management:

SVH has committed to care management model in practices.

Established agreement between SVH and Seabasticook Family Doctors to sustain and

deliver Living Well For Better Health, a chronic disease self-management program.

Support groups for chronic diseases, such as diabetes and COPD.

Part V, Line 13g - Other Means Hospital Facility Publicized the Policy

Signs and individual notices are posted in key public waiting areas in the hospital,

Physician practices and on the website regarding information pertaining to Free Care.

These notices inform the patient of the availability of Free Care including the

eligibility criteria and instruction on how to apply, obtain additional information

or assistance.

Part V, Line 19d - Other Billing Determination of Individuals Without Insurance

Hospital charges are discounted at 100% for the patients who qualify for Free Care

with income at or below the 200% FPL.

Part VI Supplemental Information

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Part VI - Needs Assessment

Sebasticook Valley Health utilizes the EMHS Community Health Needs assessment data from the Healthy Maine Partnership/Healthy SV Community Data Profile, and produces an annual environmental needs analysis every year. The SVH community Health data, and information gleaned from AVATAR International patients surveys and quality measurement website data.

Part VI - Patient Education of Eligibility for Assistance

Sebasticook Valley Health provides information about financial assistance and the contract information for SVH Billing is included in patients bills and is available at the Patient Accounts Office, Central Registration, and in all primary care locations. Our Patient Accounts staff work directly with each patient to educate, determine eligibility and assist in applying for assistance. In addition, information is posted to the public at our website. They are knowledgeable in a wide variety of programs and services that can help patients.

Part VI - Community Information

Sebasticook Valley Health serves over 34,000 in more than a dozen towns in Central Maine in the counties of Southern Penobscot, Southern Somerset, Northern Kennebec, and Western Waldo Counties. Central Maine serves a significant number of patients who utilize either Medicare or Medicaid (MaineCare) as their primary source of coverage for healthcare. The area has a diverse business and industrial base,

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Part VI - Community Information (continued)

however, no large companies or industry are located in the region.

Part VI - Community Building Activities

Sebasticook Valley Health works with other area healthcare organizations and providers, businesses, and industries, municipalities, civic organizations, communities of faith, schools, and private individuals and families to bring the highest quality of healthcare to the region. SVH also recognizes its role in helping the Sebasticook Valley be a healthy and economically vibrant place to live and work and collaborates with a number of partners to enhance the region's health in the broadest sense.

Part VI - Explanation Of How Organization Furthers Its Exempt Purpose

Sebasticook Valley Health provides a wide range of services to the community including support groups for cancer, diabetes, and hosting for caregivers. SVH also offers free educational sessions and healthcare screenings. SVH goes into the schools with educational programs such as tobacco prevention programs such as Tar Wars and the "Swish Lady" sealant program and trains medical practice staff to provide oral health services to infants and toddlers. SVH works in collaboration with a number of area organizations to help deliver programs and services that address the need for improved nutrition and fitness, and elimination and reduction of tobacco and substance abuse. We also provide free transportation to our

Part VI Supplemental Information

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Part VI - Explanation Of How Organization Furthers Its Exempt Purpose (continued)

facilities, this is critical service to connect vulnerable populations, largely the elderly - with care services. SVH has also assisted in public education in the form of providing speakers and literature on related health topics. This year we have provided a number of lunch-and-learn topics to business leaders, including such topics as ergonomic health, health care reform and workplace safety. SVH collaborated with the local FQHC by donating the space and equipment for dental care services to those uninsured or underinsured children and adults. This year SVH hosted a community health fair with a variety of other local providers of healthcare services and area agencies promoting a variety of health prevention topics. SVH also made available to the public free and reduced cost screenings, access to health risk assessment processes and experts on exercise and nutrition.

Part VI - Affiliated Health Care System Roles and Promotion

Both Sebasticook Valley Health and EMHS, the system, are member of the Wellness Council of America - SVH with Gold status and EMHS with Platinum status for employee health. To promote and provide community wellness programs, SVH must walk the walk with employees. As SVH brings system-wide or local programs into the communities, it is done with an understanding of the work needed to help create healthy workplaces and healthy communities. See also Schedule O

Part VI Supplemental Information

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Part VI - States Where Community Benefit Report Filed

ME

Part V - Explanation of Number of Facility Type

N/A

**SCHEDULE J
(Form 990)**

Compensation Information

OMB No. 1545-0047

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

2011

▶ **Complete if the organization answered 'Yes' to Form 990, Part IV, line 23.**
▶ **Attach to Form 990.** ▶ **See separate instructions.**

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Name of the organization

SEBASTICOOK VALLEY HEALTH

Employer identification number

01-0263628

Part I Questions Regarding Compensation

1 a 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.

- | | |
|--|--|
| <input type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> 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.....

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?.....

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.

- | | |
|---|---|
| <input checked="" type="checkbox"/> Compensation committee | <input checked="" type="checkbox"/> Written employment contract |
| <input checked="" type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study |
| <input type="checkbox"/> Form 990 of other organizations | <input checked="" type="checkbox"/> 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?.....
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?.....
- c** Participate in, or receive payment from, an equity-based compensation arrangement?.....
- 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?.....
- b** Any related organization?.....
- 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?.....
- b** Any related organization?.....
- 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.....

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.....

9 If 'Yes' to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?.....

	Yes	No
1 b		
2		
4 a		X
4 b		X
4 c		X
5 a		X
5 b		X
6 a	X	
6 b		X
7		X
8		X
9		

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

Schedule J (Form 990) 2011

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 columns (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 and incentive compensation	(iii) Other reportable compensation				
1 JARED WILKINSON, DPM	(i)	172,570.	0.	0.	6,315.	20,520.	199,405.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
2 RANDALL CLARK	(i)	142,789.	10,000.	10,731.	3,263.	25,318.	192,101.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
3 VICTORIA ALEXANDER-LANE	(i)	231,292.	18,750.	10,000.	8,575.	19,877.	288,494.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
4 TERESA P VIEIRA	(i)	157,904.	10,000.	9,519.	6,479.	17,153.	201,055.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
5 MICHAEL D PETERSON	(i)	139,742.	0.	0.	4,993.	17,829.	162,564.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
6 JO-NELL BENEDETTO	(i)	171,164.	0.	0.	750.	4,530.	176,444.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
7 JENNIFER A. DIEHL	(i)	179,680.	0.	0.	0.	8,176.	187,856.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
8 ALAN D. LILLY, D.O.	(i)	314,504.	0.	0.	8,575.	13,680.	336,759.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
9 HENRY PERRY	(i)	190,443.	0.	0.	6,628.	1,140.	198,211.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
10 STEVEN J BADEEN, M.D.	(i)	233,244.	0.	2,976.	3,284.	23,007.	262,511.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
11 TODD A TRITCH, M.D.	(i)	331,756.	0.	0.	0.	21,967.	353,723.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
12 HOWARD MARGOLSKEE, M	(i)	200,482.	0.	0.	0.	19,878.	220,360.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
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, for Part II. Also complete this part for any additional information.

Part III - Additional Information

Part I, 6a: Victoria Alexander-Lane, Performance Incentive Bonus of \$18,750

Teresa P. Vieira, Performance Incentive Bonus of \$10,000

Randall L. Clark, Performance Incentive Bonus of \$10,000

Liisa Haapenen-Janelle, Performance Incentive Bonus of \$10,000

**SCHEDULE K
(Form 990)**

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

▶ **Complete if the organization answered 'Yes' to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.**
▶ **Attach to Form 990.** ▶ **See separate instructions.**

OMB No. 1545-0047

2011

**Open to Public
Inspection**

Name of the organization

SEBASTICOOK VALLEY HEALTH

Employer identification number

01-0263628

Part I Bond Issues

(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pooled financing	
						Yes	No	Yes	No	Yes	No
A Maine Health & Higher Educ	01-0314384	560425UB4	12/09/2004	807,075.	Construction		X		X	X	
B											
C											
D											

Part II Proceeds

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Amount of bonds retired								
2 Amount of bonds legally defeased								
3 Total proceeds of issue		807,075.						
4 Gross proceeds in reserve funds		57,035.						
5 Capitalized interest from proceeds								
6 Proceeds in refunding escrows								
7 Issuance costs from proceeds		14,529.						
8 Credit enhancement from proceeds								
9 Working capital expenditures from proceeds								
10 Capital expenditures from proceeds		735,511.						
11 Other spent proceeds								
12 Other unspent proceeds								
13 Year of substantial completion		2005						
14 Were the bonds issued as part of a current refunding issue?		X						
15 Were the bonds issued as part of an advance refunding issue?		X						
16 Has the final allocation of proceeds been made?	X							
17 Does the organization maintain adequate books and records to support the final allocation of proceeds?	X							

Part III Private Business Use

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

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

Schedule K (Form 990) 2011

Part III Private Business Use (Continued)

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

Part IV Arbitrage

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?.....		X						
2 Is the bond issue a variable rate issue?.....		X						
3a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?.....		X						
b Name of provider.....								
c Term of hedge.....								
d Was the hedge superintegrated?.....								
e Was the hedge terminated?.....								
4a Were gross proceeds invested in a guaranteed investment contract (GIC)?.....	X							
b Name of provider.....	FSA Cap mGMT							
c Term of GIC.....	27.0							
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?...	X							
5 Were any gross proceeds invested beyond an available temporary period?.....		X						
6 Did the bond issue qualify for an exception to rebate?.....		X						

Part V Procedures To Undertake Corrective Action

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

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

SCHEDULE O
(Form 990 or 990-EZ)

Supplemental Information to Form 990 or 990-EZ

OMB No. 1545-0047

2011

**Open to Public
Inspection**

Department of the Treasury
Internal Revenue Service

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.

Name of the organization

SEBASTICOOK VALLEY HEALTH

Employer identification number

01-0263628

Form 990, Part III, Line 4a - Program Service Accomplishments

SEBASTICOOK VALLEY HEALTH is a nonprofit hospital, providing service for all that needs care, regardless of their ability to pay. In the 2012 fiscal year, SVH provided free care of \$1,860,036 and recorded \$2,377,779 in bad debts. Our hospital provides 24-hours-a-day emergency services with annual visits of 12,381. SVH provides many free services and programs that are designed to improve the health and well being of our surrounding communities.

Free/Reduced Cost Programs To Our Communities

Courtesy Van

Diabetes Awareness/Support Group Meeting Monthly

Breast Cancer Awareness, Education, and Free Mammograms

Business Lunch & Learns

Tar Wars School Programs

Bone Densitometry Screenings

School & Community Organization hospital tours

Participation in ad provision of bone density screenings at Sebasticook Valley

Women's Heart Health Education

Caregiver Support Group

MS Support Group

Heart Disease for Kids (Ongoing)

Blood Drives (twice yearly)

CPR/First Aide Classes

Kids Cardio Workshop (Ongoing)

Supper sitter workshops (three times a year)

Move and Improve Site

Move and improve Community Walks

Name of the organization

Employer identification number

SEBASTICOOK VALLEY HEALTH

01-0263628

Form 990, Part III, Line 4a - Program Service Accomplishments

Living Well

Oversight of student experience processes including: job shadows, practicums, and clinical rotations.

Community Health Fair

Nutrition and Cooking Education

Substance Abuse Prevention

Additional Statistics:

Total Admissions of 734

Emergency Room Visits 12381

Surgical Cases 966

Clinic Visits 11,047

Physician Practice visits of 18,319

Form 990, Part VI, Line 6 - Explanation of Classes of Members or Shareholder

Sebasticook Valley Health (the "Corporation") is a Maine nonprofit corporation.

Eastern Maine Healthcare Systems (the "Member"), also a Maine nonprofit corporation, is the sole corporate member of the Corporation.

Form 990, Part VI, Line 7a - How Members or Shareholders Elect Governing Body

The Member has authority to elect directors of the Corporation.

Form 990, Part VI, Line 7b - Decisions of Governing Body Approval by Members or Shareholders

The Member has authority to approve amendments to the Corporation's articles of incorporation and to its bylaws.

Form 990, Part VI, Line 11b - Form 990 Review Process

Form 990 is reviewed by the CFO of Sebasticook Valley Health.

Form 990 was provided to each board member electronically on August 1, 2013, prior to filing with the IRS.

Name of the organization

Employer identification number

SEBASTICOOK VALLEY HEALTH

01-0263628

Form 990, Part VI, Line 12c - Explanation of Monitoring and Enforcement of Conflicts

The organization requests updates of potential conflicts and relationships from the officers and Board members on an annual basis. The request requires disclosure of all business relationships, board memberships, and family relationships. A database is maintained that is compared to payroll records and the accounts payable vendor list to identify any potential conflicts of interest. Transactions are reviewed for reasonableness as an arm's length transaction.

The first agenda item for board meetings and board committee meetings is for members to declare any conflict of interest with upcoming agenda items or deliberations. At any point when consideration is being given to purchase/contract with a party in interest, the member with the conflict is either excused from the discussion and consideration process or abstains from voting on the matter.

All transactions identified with parties in interest are disclosed within the Form 990. All are deemed to be arm's length transactions.

Form 990, Part VI, Line 15a - Compensation Review & Approval Process for CEO, Exec. Dir., or Top Mgtment

The Seabasticook Valley Health Executive Committee is comprised of independent Board members. The Executive Committee works with the President and CEO to establish the performance evaluation for the ensuing year. The Committee develops the compensation program for the President and CEO, to coincide with the current job description. The Committee sets the annual compensation of the President and CEO.

The Committee:

Assures that the value of compensation provided by SVH does not exceed the value of services provided by the President & CEO.

Reviews periodic compensation survey information and provides input into the

Name of the organization

Employer identification number

SEBASTICOOK VALLEY HEALTH

01-0263628

Form 990, Part VI, Line 15a - Compensation Review & Approval Process for CEO, Exec. Dir., or Top Mgtment (continued)

executive compensation program.

Reviews incentive compensation criteria and associated pay schedules for officers and key employees.

15b. Compensation of other officers and key employees of the organization are established by the President and CEO and the Human Resources department; utilizing external market research to establish compensation ranges for specific positions.

Form 990, Part VI, Line 19 - Other Organization Documents Publicly Available

Sebasticook Valley Health makes its governing documents, conflict of interest policy and financial statements available to the public upon request.

Client SVH

SEBASTICOOK VALLEY HEALTH

01-0263628

8/24/13

01:48PM

**Form 990, Part IX, Line 24e
Other Expenses**

	(A)	(B)	(C)	(D)
	<u>Total</u>	<u>Program Services</u>	<u>Management & General</u>	<u>Fundraising</u>
Charity Care	1,860,037.	1,860,037.		
Fund raising	176,777.			176,777.
Gifts & Contributions	11,995.	120.	11,875.	
Maintenance & Repair	720,466.	563,777.	156,689.	
Miscellaneous other	53,578.	35,977.	17,601.	
Physician fees	1,824,389.	1,824,389.		
Postage and Shipping	134,250.	128,044.	6,206.	
Printing and Publications	89,102.	84,358.	4,744.	
State Tax Assessment	732,630.	732,630.		
subscription & dues	84,639.	38,651.	45,988.	
Total	<u>\$ 5,687,863.</u>	<u>\$ 5,267,983.</u>	<u>\$ 243,103.</u>	<u>\$ 176,777.</u>

**Form 990, Part XI, Line 5
Other Changes in Net Assets or Fund Balances**

Change in beneficial Interest Trust.....	\$	21,205.
Net Unrealized Gains or Losses on Investments.....		684,048.
Transfer to exempt parent - Eastern Maine Healthcare Systems.....		-58,380.
Total	\$	<u>646,873.</u>

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

SEBASTICOOK VALLEY HEALTH

Employer identification number

01-0263628

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) ----- ----- -----					

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) Sec 512(b)(13) controlled entity?	
						Yes	No
(1) Eastern Maine Healthcare Systems (43 Whiting Hill Road Brewer, ME 04412 01-0527066	Supporting organization for healthcare affiliates	ME	501 (c) (3)	11 TYPE 11	N/A	X	
(2) Eastern Maine Medical Center (EMMC PO BOX 404 489 State Street Bangor, ME 04402-0404 01-0211501	Provide Healthcare Services	ME	501(c) (3)	3	EMHS	X	
(3) Eastern Maine Healthcare Real Esta 43 Whiting Hill Road Brewer, ME 04412 01-0391036	leases real estate	ME	501 (c) (2)		EMHS	X	
(4) Rosscare 43 Whiting Hill Road Brewer, ME 04412 01-0391038	provide services to elderly	ME	501 (c) (3)	PF	EMHS	X	

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?		(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	
(1) ----- ----- -----												
(2) ----- ----- -----												
(3) ----- ----- -----												

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) <u>Affiliated Healthcare Systems (AHS)</u> P.O. BOX 940 Bangor, ME 04402-0940 01-0385322	Holding Co.	ME	EMHS	C	0.	0.	
(2) <u>Affiliated Healthcare Management</u> P.O. BOX 811 Bangor, ME 04402-0811 01-0349339	Healthcare Management	ME	AHS	C	0.	0.	
(3) <u>Affiliated Laboratory, Inc.</u> P.O. BOX 638 Bangor, ME 04402-0638 01-0381283	Clinical Lab	ME	AHS	C	0.	0.	

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		X
b Gift, grant, or capital contribution to related organization(s)		X
c Gift, grant, or capital contribution from related organization(s)		X
d Loans or loan guarantees to or for related organization(s)		X
e Loans or loan guarantees by related organization(s)		X
f Sale of assets to related organization(s)		X
g Purchase of assets from related organization(s)		X
h Exchange of assets with related organization(s)		X
i Lease of facilities, equipment, or other assets to related organization(s)		X
j Lease of facilities, equipment, or other assets from related organization(s)		X
k Performance of services or membership or fundraising solicitations for related organization(s)	X	
l Performance of services or membership or fundraising solicitations by related organization(s)	X	
m Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)		X
n Sharing of paid employees with related organization(s)		X
o Reimbursement paid to related organization(s) for expenses	X	
p Reimbursement paid by related organization(s) for expenses		X
q Other transfer of cash or property to related organization(s)	X	
r Other transfer of cash or property from related organization(s)		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) Eastern Maine Healthcare Systems (EMHS)	l	447,270.	FMV
(2) Eastern Maine Healthcare Systems (EMHS)	o	2,555,121.	FMV
(3) Eastern Maine Healthcare Systems (EMHS)	q	58,380.	FMV
(4) Eastern Maine Medical Center (EMMC)	l	519,996.	FMV
(5) EMHS Foundation	l	154,000.	FMV
(6) Inland Hospital	l	111,784.	FMV

Part VI Unrelated Organizations Taxable as a Partnership (Complete if the organization answered 'Yes' to Form 990, Part IV, line 37.)

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

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under section 512-514)	(e) Are all partners 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) ----- ----- -----													

Part II Continuation of Identification of Related Tax-Exempt Organizations

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Exempt Code section	(E) Public charity status (if section 501(c)(3))	(F) Direct controlling entity	(G) Sec 512(b)(13) controlled entity?	
						Yes	No
Rosscare Nursing Homes, Inc. 43 Whiting Hill Road Brewer, ME 04412 01-0430751	Operation of Nursing Homes	ME	501 (c) (3)	9	Rosscare	X	
Acadia Hospital Corp. (AHC) 43 Whiting Hill Road Brewer, ME 04412 01-0459837	Provide heathcare services	ME	501 (c) (3)	3	EMHS	X	
Eastern Maine Medical Center Auxilia 43 Whiting Hill Road Brewer, ME 04412 01-0377901	Fund raising for exempt Eastern Maine Medical Center	ME	501 (c) (3)	9	EMMC	X	
Acadia Healthcare, Inc. 43 Whiting Hill Road Brewer, ME 04412 22-3183888	Provide Healthcare Services	ME	503 (c) (3)	9	AHC	X	
EMHS Foundation 43 Whiting Hill Road Brewer, ME 04412 22-2514163	Raise and manage funds for exempt organizations	ME	501 (c) (3)	11 Type II	EMHS	X	
Norumbega Medical Specialists, LTD 43 Whiting Hill Road Brewer, ME 04412 01-0465231	Provide Patient care and education	ME	501 (c) (3)	9	EMMC	X	
Inland Hospital 200 Kennedy Memorial Drive Waterville, ME 04901 01-0217211	Provide Healthcare Services	ME	501 (c) (3)	3	EMHS	X	
Lakewood, A Continuing Care Center 220 Kennedy Memorial Drive Waterville, ME 04901 01-0421234	Provide Skilled and long-term nursing care	ME	501 (c) (3)	3	Inland Hospital	X	
C.A.Dean Memorial Hospital Pritham Avenue, PO Box 1129 Greenville, ME 04441-1129 04-3341666	Provide Healthcare Services	ME	501 (c) (3)	3	EMHS	X	

Part II Continuation of Identification of Related Tax-Exempt Organizations

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Exempt Code section	(E) Public charity status (if section 501(c)(3))	(F) Direct controlling entity	(G) Sec 512(b)(13) controlled entity?	
						Yes	No
The Aroostook Medical Center (TAMC) PO Box 151, 140 Academy Street Presque Isle, ME 04769-0151 01-0372148	Provide healthcare services	ME	501 (c) (3)	3	EMHS	X	
TAMC Endowments PO Box 151 140 Academy Street Presque Isle, ME 04769-0151 01-0389222	Raise funds for exempt organizations	ME	501 (c) (3)	11 Type I	TAMC	X	
Horizons Health Services PO Box 151, 140 Academy Street Presque Isle, ME 04769-0151 01-0504393	Provide Patient Care	ME	501 (c) (3)	3	TAMC	X	
Eastern Maine HomeCare PO BOX 688 Caribou, ME 04736 01-0328442	Provide Home health & hospice services	ME	501 (c) (3)	9	EMHS	X	
TAMC Title Corp PO Box 151, 140 Academy Street Presque Isle, ME 04769-0151 01-0389226	Real Estate Holding Company	ME	501 (c) (2)		TAMC	X	
ME Institute for Human Genetics & He 43 Whiting Hill Road Brewer, ME 04412 55-0894346	Biomedical research & development	ME	501 (c) (3)	9	EMHS	X	
Blue Hill Memorial Hospital (BHMH) 57 Water Street Blue Hill, ME 04614-5231 01-0227195	Provide Healthcare Services	ME	501 (c) (3)	3	EMHS	X	
Meadow Wood LLC 43 Whiting Hill Road Brewer, ME 04412 27-2935243	Provide Patient Care	ME	501 (c) (3)	9	AHI	X	
Inland Family Practice Associates, L 200 Kennedy Memorial Drive Waterville, ME 04901 27-2942245	Provide Patient Care	ME	501 (c) (3)	3	INLAND HOSPITAL	X	

Part II Continuation of Identification of Related Tax-Exempt Organizations

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Exempt Code section	(E) Public charity status (if section 501(c)(3))	(F) Direct controlling entity	(G) Sec 512(b)(13) controlled entity?	
						Yes	No
Sebasticook Valley Family Practice A 447 North Main Street Pittsfield, ME 04967 01-0357854	Provide Patient Care	ME	501 (c) (3)	9	SVH	X	
SVH Convenient Care, LLC 1573 Main Street Newport, ME 04953 27-3129791	Provide Patient Care	ME	501 (c) (3)	3	SVH	X	
Capitol Convenient Care, LLC 43 Whiting Hill Road Brewer, ME 04412 27-3671960	Provide Patient Care	ME	501 (c) (3)	II, Type II	EMHS	X	
Sebasticook Valley Work Health, LLC 447 North Main Street Pittsfield, ME 04967 45-3359446	Provide Patient Care	ME	501 (c) (3)	3	SVH	X	
Beacon Health, LLC 43 Whiting Hill Road Brewer, ME 04412 45-2967056	Accountable Care Organization	ME	501 (c) (3)	11, Type II	EMHS	X	

Part IV Continuation of Identification of Related Organizations Taxable as a Corporation or Trust

(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
<u>Affiliated Material Services</u> <u>P.O. BOX 1300</u> <u>Bangor, ME 04402-1300</u> <u>01-0381189</u>	purchasing	ME	AHS	C	0.	0.	
<u>Affiliated Pharmacy Services</u> <u>917 Union Street, SUITE 7</u> <u>Bangor, ME 04401</u> <u>01-0587230</u>	Pharmacy	ME	AHS	C	0.	0.	
<u>DE Collections dba Affiliated Collectio</u> <u>P.O. BOX 2759</u> <u>Bangor, ME 04402-2759</u> <u>01-0366209</u>	Collection s	me	AHS	C	0.	0.	
<u>Meridian Mobile Health, LLC</u> <u>931 Union Street, P.O.BOX 940</u> <u>Bangor, ME 04402-0940</u> <u>01-0512673</u>	Ambulance	ME	AHS	C	0.	0.	
<u>Maine Network for Health</u> <u>P.O. BOX 2813</u> <u>Bangor, ME 04402-2813</u> <u>01-0496352</u>	Support Service	ME	EHMS	C	0.	0.	
<u>Dirigo Pines REtirement Community LLC</u> <u>9 Alumni Drive</u> <u>Orono, ME 04473</u> <u>01-0537924</u>	Holding Co	ME	AHS	C	0.	0.	
<u>Dirigo Pines Inn, LLC</u> <u>9 Alumni Drive</u> <u>Orono, ME 04473</u> <u>02-0547749</u>	Continuing Care	ME	ROSSCARE	C	0.	0.	
<u>Dirigo Funding LLC,</u> <u>9 Alumni Drive</u> <u>Orono, ME 04473</u> <u>01-0599996</u>	Providing Finance	ME	AHS	C	0.	0.	

Part IV Continuation of Identification of Related Organizations Taxable as a Corporation or Trust

(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
Dirigo Pines Development Co LLC 9 Alumni Drive Orono, ME 04473 01-0537924	Ret Cottage	ME	AHS	C	0.	0.	
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Application for Extension of Time To File an Exempt Organization Return

▶ **File a separate application for each return.**

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

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

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

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

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

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

Enter filer's identifying number, see instructions

Type or print File by the due date for filing your return. See instructions.	Name of exempt organization or other filer, see instructions. SEBASTICOOK VALLEY HEALTH	Employer identification number (EIN) or 01-0263628
	Number, street, and room or suite no. If a P.O. box, see instructions. 447 NORTH MAIN STREET	Social security number (SSN)
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. PITTSFIELD, MAINE 04967	

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

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

• The books are in the care of ▶ **Randall L. Clark, Vice President of Finance**

Telephone No. ▶ **207-487-4022** FAX No. ▶

• If the organization does not have an office or place of business in the United States, check this box

• If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) **5247**. If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension is for.

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until **May 15**, 20 **13**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
▶ calendar year 20 ____ or

▶ tax year beginning **October 1**, 20 **11**, and ending **September 30**, 20 **12**.

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

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

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



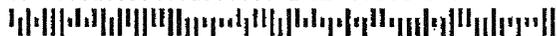
Department of the Treasury
Internal Revenue Service
Ogden UT 84201

For assistance, call:
1-877-829-5500
FAX 801-620-5670

Notice Number: CP211A
Date: March 18, 2013

Taxpayer Identification Number:
01-0263628
Tax Form: 990
Tax Period: September 30, 2012

034258.163556.0137.003 1 AB 0.384 373



EASTERN MAINE HEALTHCARE SYSTEMS
SEBASTICOOK VALLEY HEALTH
447 N MAIN ST
PITTSFIELD ME 04967-3707

034258

APPLICATION FOR EXTENSION OF TIME TO FILE AN EXEMPT ORGANIZATION RETURN - APPROVED

We received and approved your Form 8868, Application for Extension of Time to File an Exempt Organization Return, for the return (form) and tax period identified above. Your extended due date to file your return is **May 15, 2013**.

When it's time to file your Form 990, 990-EZ, 990-PF or 1120-POL, you should consider filing electronically. Electronic filing is the fastest, easiest and most accurate way to file your return. For more information, visit the Charities and Nonprofit web at www.irs.gov/eo. This site will provide information about:

- The type of returns that can be filed electronically,
- approved e-File providers, and
- if you are required to file electronically.

If you have any questions, please call us at the number shown above, or you may write us at the address shown at the top of this letter.

MAR 11 2013

- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** and check this box
- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** (on page 1).

Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Part II Additional (Not Automatic) 3-Month Extension of Time. Only file the original (no copies needed).

Enter filer's identifying number, see instructions

Type or print File by the extended due date for filing the return. See instructions.	Name of exempt organization or other filer, see instructions. SEBASTICOOK VALLEY HEALTH	Employer identification number (EIN) or <input checked="" type="checkbox"/> 01-0263628
	Number, street, and room or suite number. If a P.O. box, see instructions. EASTERN MAINE HEALTHCARE SYSTEMS 43 WHITING HILL RD	Social security number (SSN) <input type="checkbox"/>
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. BREWER, ME 04412-1005	

Enter the Return code for the return that this application is for (file a separate application for each return) **01**

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

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

- The books are in care of. ▶ **RANDALL L CLARK**
Telephone No. ▶ **207-487-5141** FAX No. ▶ _____
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) ... **5247** . If this is for the whole group, check this box If it is for part of the group, check this box .. and attach a list with the names and EINs of all members the extension is for.

- I request an additional 3-month extension of time until 8/15 , 20 13.
- For calendar year _____ , or other tax year beginning 10/01 , 20 11 , and ending 9/30 , 20 12.
- If the tax year entered in line 5 is for less than 12 months, check reason: Initial return Final return Change in accounting period
- State in detail why you need the extension .. Taxpayer respectfully requests additional time to gather information necessary to file a complete and accurate tax return.

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	8a \$
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	8b \$
c Balance due. Subtract line 8b from line 8a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions	8c \$

Signature and Verification must be completed for Part II only.

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature ▶ *Randall L Clark* Title ▶ **VP of Finance** Date ▶ **5/3/13**

**Sebasticook Valley Health
and Subsidiaries**

Audited Consolidated Financial Statements
and Additional Information

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

SEBASTICOOK VALLEY HEALTH AND SUBSIDIARIES

Audited Consolidated Financial Statements and Additional Information

Years Ended September 30, 2012 and 2011

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BAKER NEWMAN NOYES

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Sebasticook Valley Health

We have audited the accompanying consolidated balance sheets of Sebasticook Valley Health and Subsidiaries as of September 30, 2012 and 2011, and the related consolidated statements of operations and changes in net assets and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Hospital's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with 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 Sebasticook Valley Health and Subsidiaries as of September 30, 2012 and 2011, and the consolidated results of their operations, changes in their net assets, and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 9 to the consolidated financial statements, the balance sheets at September 30, 2012 and 2011 include amounts due from the State of Maine under the MaineCare program of approximately \$1,600,000 and \$1,800,000, respectively. Such amounts have not been provided for in the State of Maine's budget.



Limited Liability Company

Portland, Maine
November 21, 2012

SEBASTICOOK VALLEY HEALTH AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

September 30, 2012 and 2011

ASSETS

	<u>2012</u>	<u>2011</u>
Current assets:		
Cash and cash equivalents (note 14)	\$ 746,795	\$ 3,380,620
Short-term investments (note 3)	736,219	712,045
Assets held in trust under debt indentures (notes 3 and 7)	128,561	128,728
Patient accounts receivable, net of allowance for uncollectible accounts of \$1,547,182 (\$1,545,976 in 2011) (notes 2 and 14)	3,292,391	2,374,661
Estimated third-party payor settlements (note 9)	723,349	297,907
Other receivables, net of allowance for uncollectible accounts of \$12,261 in 2012 and 2011	48,055	68,067
Due from Eastern Maine Healthcare Systems (note 10)	9,576	85
Inventories	269,381	292,770
Prepaid expenses and other assets	<u>224,391</u>	<u>454,657</u>
Total current assets	6,178,718	7,709,540
Property, plant and equipment, net (notes 5 and 7)	12,615,668	9,758,427
Assets whose use is limited or restricted (note 3):		
Board designated:		
Funded depreciation	1,015,918	1,666,605
Other designated funds	9,391,724	9,169,411
Deferred compensation (note 6)	-	170,348
Temporarily donor-restricted	465,877	180,130
Permanently donor-restricted	105,995	103,495
Beneficial interest in perpetual trusts (note 4)	<u>257,244</u>	<u>236,033</u>
Total assets whose use is limited or restricted	11,236,758	11,526,022
Other assets:		
Estimated settlement receivable from the State of Maine (note 9)	1,626,054	1,754,165
Deferred financing costs, net	42,303	48,930
Other assets, net (note 15)	<u>1,481,024</u>	<u>593,895</u>
	<u>3,149,381</u>	<u>2,396,990</u>
Total assets	<u>\$33,180,525</u>	<u>\$31,390,979</u>

LIABILITIES AND NET ASSETS

	<u>2012</u>	<u>2011</u>
Current liabilities:		
Accounts payable	\$ 1,968,594	\$ 858,439
Due to Eastern Maine Healthcare Systems (note 10)	260,429	201,129
Accrued expenses and other	2,190,719	2,272,398
Estimated third-party payor settlements (note 9)	2,861,669	3,828,188
Current portion of long-term debt and capital leases (note 7)	<u>464,953</u>	<u>535,699</u>
Total current liabilities	7,746,364	7,695,853
Deferred compensation (note 6)	-	170,348
Long-term estimated third-party payor settlements (note 9)	2,199,339	2,120,771
Other liabilities (note 15)	1,472,491	582,162
Long-term debt and capital leases, net of current portion (note 7)	<u>2,473,485</u>	<u>2,937,900</u>
Total liabilities	13,891,679	13,507,034
Net assets:		
Unrestricted	18,459,730	17,364,287
Temporarily restricted (note 11)	465,877	180,130
Permanently restricted (note 11)	<u>363,239</u>	<u>339,528</u>
Total net assets	19,288,846	17,883,945
Total liabilities and net assets	<u>\$33,180,525</u>	<u>\$31,390,979</u>

See accompanying notes.

SEBASTICOOK VALLEY HEALTH AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS

Years Ended September 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Unrestricted revenues and other support:		
Net patient service revenue (note 9)	\$34,834,478	\$34,133,084
Other revenue (note 10)	779,166	646,860
Meaningful use revenue (note 9)	568,724	-
Net assets released from restrictions for operations	<u>58,507</u>	<u>46,913</u>
Total unrestricted revenues and other support	36,240,875	34,826,857
Expenses (notes 10 and 13):		
Salaries and wages	15,974,063	15,017,731
Employee benefits	3,585,661	3,279,930
Professional fees	1,824,390	1,446,767
Supplies	3,431,893	3,227,862
Utilities	578,655	573,863
Purchased services	4,338,562	4,109,086
Insurance	204,362	343,395
Other	1,480,093	1,626,086
State tax assessment (note 9)	732,630	739,716
Provision for bad debts	2,377,779	2,050,351
Depreciation and amortization	1,462,269	1,386,407
Interest	<u>160,720</u>	<u>185,715</u>
Total expenses	<u>36,151,077</u>	<u>33,986,909</u>
Operating income	89,798	839,948
Other income (expense):		
Investment income (note 3)	288,536	294,171
Unrestricted gifts	8,284	13,305
Fundraising costs	(12,904)	(21,974)
Net realized gains on investments (note 3)	95,064	28,789
Net loss on disposal of property, plant and equipment	<u>(69,613)</u>	<u>(6,440)</u>
Total other income (expense)	<u>309,367</u>	<u>307,851</u>
Excess of revenues over expenses	399,165	1,147,799

Continued next page.

SEBASTICOOK VALLEY HEALTH AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF OPERATIONS
AND CHANGES IN NET ASSETS (CONTINUED)**

Years Ended September 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Unrestricted net assets (continued):		
Excess of revenues over expenses	\$ 399,165	\$ 1,147,799
Net assets released from restrictions for purchase of equipment	101,415	31,571
Change in unrealized gains (losses) on investments (note 3)	653,243	(79,455)
Transfer to Eastern Maine Healthcare Systems - strategic pool (note 10)	<u>(58,380)</u>	<u>(28,872)</u>
Increase in unrestricted net assets	1,095,443	1,071,043
Temporarily restricted net assets:		
Restricted contributions	417,364	113,078
Change in unrealized gains (losses) on investments (note 3)	28,305	(8,212)
Net assets released from restrictions	<u>(159,922)</u>	<u>(78,484)</u>
Increase in temporarily restricted net assets	285,747	26,382
Permanently restricted net assets:		
Restricted contributions	2,500	-
Change in beneficial interest in perpetual trusts	<u>21,211</u>	<u>(13,111)</u>
Increase (decrease) in permanently restricted net assets	<u>23,711</u>	<u>(13,111)</u>
Increase in net assets	1,404,901	1,084,314
Net assets, beginning of year	<u>17,883,945</u>	<u>16,799,631</u>
Net assets, end of year	<u>\$19,288,846</u>	<u>\$17,883,945</u>

See accompanying notes.

SEBASTICOOK VALLEY HEALTH AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended September 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Cash flows from operating and nonoperating activities:		
Increase in net assets	\$ 1,404,901	\$ 1,084,314
Adjustments to reconcile increase in net assets to net cash (used) provided by operating and nonoperating activities:		
Depreciation and amortization	1,462,269	1,386,407
Loss on disposal of property, plant and equipment	69,613	6,440
Net realized and unrealized gains and losses on investments	(776,612)	58,878
Restricted contributions	(419,864)	(113,078)
Change in beneficial interest in perpetual trusts	(21,211)	13,111
Provision for bad debts	2,377,779	2,050,351
Change in deferred compensation	-	(32,239)
Transfer to Eastern Maine Healthcare Systems – strategic pool	58,380	28,872
Changes in operating assets and liabilities:		
Patient accounts receivable	(3,295,509)	(2,366,071)
Other receivables, inventories, prepaid expenses and other assets	273,667	(248,059)
Net amounts due to or from third-party payors and estimated settlement receivable from State of Maine	(1,185,282)	2,745,491
Accounts payable and accrued expenses	(512,973)	439,348
Change in deferred compensation	(170,348)	-
Net amounts due to or from Eastern Maine Healthcare Systems	<u>49,809</u>	<u>(18,338)</u>
Net cash (used) provided by operating and nonoperating activities	<u>(685,381)</u>	<u>5,035,427</u>
Cash flows from investing activities:		
Purchases of property, plant and equipment	(2,842,646)	(1,467,922)
Proceeds from sales of property, plant and equipment	6,051	-
Proceeds from sales of investments	4,274,826	6,272,940
Purchases of investments	<u>(3,211,746)</u>	<u>(10,478,871)</u>
Net cash used by investing activities	<u>(1,773,515)</u>	<u>(5,673,853)</u>
Cash flows from financing activities:		
Transfer to Eastern Maine Healthcare Systems – strategic pool	(58,380)	(28,872)
Restricted contributions	419,864	113,078
Repayments of long-term obligations	<u>(536,413)</u>	<u>(648,533)</u>
Net cash used by financing activities	<u>(174,929)</u>	<u>(564,327)</u>
Net decrease in cash and cash equivalents	(2,633,825)	(1,202,753)
Cash and cash equivalents at beginning of year	<u>3,380,620</u>	<u>4,583,373</u>
Cash and cash equivalents at end of year	\$ <u>746,795</u>	\$ <u>3,380,620</u>
Supplemental disclosure for cash flow information:		
Cash paid during the period for interest	\$ <u>164,606</u>	\$ <u>190,067</u>

At September 30, 2012, constructions costs of \$1,541,449 were included in accounts payable and accrued expenses.

See accompanying notes.

SEBASTICOOK VALLEY HEALTH AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2012 and 2011

1. Description of Organization and Summary of Significant Accounting Policies

Organization

Sebasticook Valley Health (SVH) is a not-for-profit health care organization operating a 25 bed critical access hospital located in Pittsfield, Maine, serving Pittsfield and several surrounding communities in the central Maine area between the cities of Bangor and Waterville. Effective September 2010, Sebasticook Valley Health Convenient Care, LLC, a walk-in clinic in Newport, Maine, became a subsidiary of SVH. In October 2011, Sebasticook Valley Work Health, an employee health and safety clinic in Pittsfield, Maine, became a subsidiary of SVH. SVH is part of Eastern Maine Healthcare Systems (EMHS).

Principles of Consolidation

These consolidated financial statements include the accounts of SVH and its subsidiaries (collectively, the Hospital). All significant intercompany accounts 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. The most significant areas which are affected by the use of estimates include the allowances for uncollectible accounts and estimated third-party payor settlements.

Cash and Cash Equivalents

The Hospital considers all highly liquid investments with a maturity of three months or less when purchased, other than assets whose use is limited, to be cash equivalents.

Accounts Receivable

The allowance for uncollectible accounts is provided based on an analysis by management of the collectibility of outstanding balances. Management considers the age of outstanding balances and past collection efforts in determining the allowance for uncollectible accounts. Accounts deemed uncollectible are charged off against the established allowance.

Inventories

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

SEBASTICOOK VALLEY HEALTH AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2012 and 2011

1. Description of Organization and Summary of Significant Accounting Policies (Continued)

Investments

Investments are recorded at fair value. Investment income or loss (including realized gains and losses on investments, interest and dividends) is included in the excess of revenues over expenses unless the income is restricted by donor or law. Realized gains and losses are computed based on specific identification. Unrealized gains and losses on investments are not included in the excess of revenues over expenses, unless losses are considered to be other than temporary, at which time they are treated as if realized.

Assets Whose Use is Limited or Restricted

Assets whose use is limited include assets held by trustees under the indenture agreements, deferred compensation trusts, assets restricted by donors, beneficial interest in perpetual trusts, designated assets set aside by the Board of Trustees for future capital improvements and assets over which the Board retains control and may, at its discretion, subsequently use for other purposes. Amounts required to meet current liabilities have been classified as current assets.

Property and Equipment

Property and equipment acquisitions are recorded at cost. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method.

Other Assets

Other assets are recorded at cost. Amortization is provided over the estimated useful life and is computed using the straight-line method.

Deferred Financing Costs

Deferred financing costs on the Hospital's Maine Health and Higher Educational Facilities Authority (MHHEFA) Bonds are being amortized over the term of the bonds on a straight-line basis.

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by the Hospital 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 Hospital in perpetuity or are being held by other trustees (see Notes 3 and 11).

Excess of Revenues Over Expenses

The consolidated statements of operations and changes in net assets 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, permanent transfers of assets to or from EMHS and contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for purposes of acquiring such assets).

SEBASTICOOK VALLEY HEALTH AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2012 and 2011

1. Description of Organization and Summary of Significant Accounting Policies (Continued)

Net Patient Service Revenue

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party reimbursing agencies, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party reimbursing agencies. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Changes in these estimates are reflected in the financial statements in the year in which they occur. Net patient service revenue increased by approximately \$600,000 and \$500,000 in 2012 and 2011, respectively, due to favorable settlements of prior year estimates.

Laws and regulations governing the Medicare and MaineCare programs are complex and subject to interpretation. The Hospital believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrong doing. Compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action including fines, penalties, and exclusion from the Medicare and MaineCare programs.

Charity Care and Bad Debts

The Hospital accepts all patients regardless of their ability to pay. A patient is classified as a charity patient by reference to certain established policies of the Hospital. Essentially, these policies define charity care as those services for which no payment is anticipated. In assessing a patient's inability to pay, the Hospital utilizes generally recognized poverty income levels, but also includes certain cases where incurred charges are significant when compared to income. These charges are not included in net patient service revenue. The costs and expenses incurred in providing these services are included in operating expenses. The Hospital estimates the costs associated with providing charity care by calculating a ratio of total cost to total gross charges, and then multiplying that ratio by the gross uncompensated charges associated with providing care to patients eligible for free care. The estimated cost of caring for charity care patients for the period ended September 30, 2012 and 2011 was \$1,058,983 and \$1,121,343, respectively.

In furtherance of their charitable purposes, the Hospital provides many services and programs at reduced or no cost to the public, schools, and civic groups. Some of these services include health screenings, clinics, coordination of blood drives, educational materials and presentations, radio and television information programs on health topics, hosting support groups and programs, and offering a speakers bureau of professionals to discuss health issues

Revenue for services rendered to individuals from whom payment is expected and ultimately not received is written off and included as part of the provision for bad debts.

SEBASTICOOK VALLEY HEALTH AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2012 and 2011

1. Description of Organization and Summary of Significant Accounting Policies (Continued)

Donor-Restricted Gifts

Unconditional promises to give cash and other assets to the Hospital are reported at fair value at the date the promise is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported as net assets released from restrictions.

Defined Contribution Pension Plan

The Hospital maintains a defined contribution plan for all employees who have met certain eligibility requirements. Discretionary contributions to the plan by the Hospital for the years ended September 30, 2012 and 2011 were \$322,316 and \$263,005, respectively.

Self-Insurance Programs

On January 1, 2011, the Hospital became a member of the EMHS self-insured group health benefits plan. Under this plan, the Hospital paid monthly premiums to EMHS in an amount necessary to fund the estimated annual plan expenses. In 2011, the Hospital received a premium adjustment from EMHS of approximately \$288,000, which is included in prepaid expenses. Total premiums paid for employee health insurance for years ended September 30, 2012 and 2011 were \$1,508,613 and \$1,696,158, respectively.

The Hospital also participates in a self-insured worker's compensation insurance plan through an EMHS sponsored cooperative. Current funding levels by the Hospital and other participants in the cooperative are expected to be adequate to meet future claims.

See Note 15 with respect to malpractice insurance.

Income Taxes

The Hospital is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, there is no provision for income taxes within the financial statements.

Tax-exempt organizations could be required to record an obligation for income taxes as the result of a tax position they have historically taken on various tax exposure items including unrelated business income or tax status. Under guidance issued by the Financial Accounting Standards Board, assets and liabilities are established for uncertain tax positions taken or positions expected to be taken in income tax returns when such positions are judged to not meet the "more-likely-than-not" threshold, based upon the technical merits of the position. Estimated interest and penalties, if applicable, related to uncertain tax positions are included as a component of income tax expense.

The Hospital has evaluated the positions taken on its filed tax returns and has concluded no uncertain income tax positions exist at September 30, 2012. The Hospital's tax years from 2009 through 2012 are open and subject to examination.

SEBASTICOOK VALLEY HEALTH AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2012 and 2011

1. Description of Organization and Summary of Significant Accounting Policies (Continued)

Reclassifications

Certain 2011 amounts have been reclassified to permit comparison with the 2012 financial statements presentation format.

Subsequent Events

Events occurring after the balance sheet date are evaluated by management to determine whether such events should be recognized or disclosed in the financial statements. The Hospital evaluates events subsequent to the balance sheet date and through November 21, 2012, the date the financial statements were available to be issued.

Recently Issued Accounting Pronouncements

In July 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2011-07, *Health Care Entities (Topic 954): Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities*. The ASU is effective for fiscal years and interim periods ending after December 15, 2012, with early adoption permitted. The ASU states that a health care entity that recognizes significant amounts of patient service revenue at the time the services are rendered, even though it does not assess the patient's ability to pay, must present bad debts as a reduction of net patient revenue and not as a separate item in operating expenses. This is effective for the fiscal year ended September 30, 2013. Management is presently assessing the impact of the update on the Hospital's consolidated financial statements.

2. Accounts Receivable

Details of accounts receivable at September 30 are as follows:

	<u>2012</u>	<u>2011</u>
Patient accounts receivable	\$ 9,918,640	\$ 9,386,511
Less:		
Allowance for uncollectible accounts	(1,547,182)	(1,545,976)
Allowance for contractual adjustments	(5,079,067)	(5,465,874)
	<u>(6,626,249)</u>	<u>(7,011,850)</u>
	<u>\$ 3,292,391</u>	<u>\$ 2,374,661</u>

SEBASTICOOK VALLEY HEALTH AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2012 and 2011

3. Investments and Assets Whose Use is Limited or Restricted

Short-term investments consist of cash, U.S. Government sponsored agency obligations and corporate bonds.

Assets held in trust under debt indentures consist of cash and cash equivalents.

The composition of long-term assets whose use is limited or restricted at September 30 is set forth in the following table. Investments are stated at fair value.

	<u>2012</u>	<u>2011</u>
Cash and cash equivalents	\$ 482,146	\$ 3,826,110
U.S. government sponsored agency obligations	50,318	52,662
Common stock	2,433,265	1,952,377
Mutual funds	7,715,000	5,445,548
Interest in net assets of Healthcare Charities (see note 10)	10,000	10,000
Pledges receivable	288,785	3,292
Beneficial interest in perpetual trusts (see note 4)	<u>257,244</u>	<u>236,033</u>
	11,236,758	11,526,022
Less pledges receivable	<u>(288,785)</u>	<u>(3,292)</u>
Total investments	<u>\$10,947,973</u>	<u>\$11,522,730</u>

There were no significant unrealized losses at September 30, 2012 or 2011.

Investment income and gains on investments during the years ended September 30 are as follows:

	<u>2012</u>	<u>2011</u>
Investment income	\$ 288,536	\$294,171
Realized gains on investments	95,064	28,789
Change in unrealized gains or losses on investments	<u>681,548</u>	<u>(87,667)</u>
	<u>\$1,065,148</u>	<u>\$235,293</u>

Pledges Receivable

Pledges receivable represent unconditional promises to give. Pledges in the amount of \$55,024 are expected to be collected in the next year with the remainder to be collected in the next one to five years.

Investment Return Objectives, Risk Parameters and Spending Policies

The Hospital has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity. Under this policy, the endowment assets are invested in a manner that is intended to produce this result while limiting investment risk.

SEBASTICOOK VALLEY HEALTH AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2012 and 2011

3. Investments and Assets Whose Use is Limited or Restricted (Continued)

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

In 2012 and 2011, the Hospital spent \$59,330 and \$-0- of endowment funds, respectively.

Use of restricted endowment funds is governed by *Uniform Prudent Management of Institutional Funds Act* (UPMIFA) adopted by the State of Maine effective July 1, 2009.

Generally accepted accounting principles (GAAP) state that gains on donor established endowments are, absent donor stipulations, included in temporarily restricted net assets until appropriated for expenditure by the governing board. Should the value of investments related to a donor established endowment fall below the original donor contribution, the resulting deficit is included in unrestricted net assets.

The Hospital's endowment funds, held as permanently restricted net assets for the years ended September 30, 2012 and 2011, totaled \$105,995 and \$103,495, respectively.

Fair Value Measurements

GAAP defines and establishes a framework for measuring fair value and requires that fair value estimates be based on an exit price in the principal or the most advantageous market accessible in an orderly transaction between willing market participants. A three-tiered fair value hierarchy prioritizes the inputs used to estimate fair value in three broad levels, considering the relative reliability of the inputs:

Level 1 – Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 – Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.

Level 3 – Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

In determining the appropriate levels, the Hospital performs a detailed analysis of the assets that are measured and reported on a fair value basis.

SEBASTICOOK VALLEY HEALTH AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2012 and 2011

3. Investments and Assets Whose Use is Limited or Restricted (Continued)

For the fiscal year ended September 30, 2012, the application of valuation techniques applied to similar assets has been consistent with that used in the prior year. The following is a description of the valuation methodologies for instruments measured at fair value:

Cash and cash equivalents, mutual funds, U.S. Government sponsored agency obligations, common stocks and mutual funds are based upon quoted prices in active markets for identical assets and are reflected as Level 1.

Corporate bonds were determined based upon market information from less active markets and have been included in Level 2.

Pledges receivable, interest in net assets of Healthcare Charities and beneficial interests in perpetual trusts were determined based upon unobservable inputs including estimated allowances for collection losses and trustee statements and are included in Level 3.

The Hospital's assets measured at fair value include short-term investments, assets held in trust and assets whose use is limited or restricted. The following table presents the balances of assets and liabilities measured at fair value at September 30, 2012 and 2011 on a recurring basis:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>2012</u>				
Cash and cash equivalents	\$ 666,851	\$ -	\$ -	\$ 666,851
U.S. Government sponsored agency obligations	264,810	-	-	264,810
Common stock:				
Materials	65,950	-	-	65,950
Industrials	188,538	-	-	188,538
Consumer discretionary	307,165	-	-	307,165
Consumer staples	334,596	-	-	334,596
Energy	230,228	-	-	230,228
Financials	294,299	-	-	294,299
Health care	429,264	-	-	429,264
Utilities	146,768	-	-	146,768
Telecommunications	182,013	-	-	182,013
Information technology	254,444	-	-	254,444
Mutual funds:				
Equity funds	1,719,524	-	-	1,719,524
Fixed income	5,995,476	-	-	5,995,476
Interest in net assets of Healthcare Charities	-	-	10,000	10,000
Corporate bonds	-	465,583	-	465,583
Beneficial interest in perpetual trusts	-	-	257,244	257,244
	<u>\$11,079,926</u>	<u>\$465,583</u>	<u>\$267,244</u>	<u>\$11,812,753</u>

SEBASTICOOK VALLEY HEALTH AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2012 and 2011

3. Investments and Assets Whose Use is Limited or Restricted (Continued)

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>2011</u>				
Cash and cash equivalents	\$ 4,014,029	\$ -	\$ -	\$ 4,014,029
U.S. Government sponsored agency obligations	446,595	-	-	446,595
Common stock:				
Materials	94,489	-	-	94,489
Industrials	153,862	-	-	153,862
Consumer discretionary	232,806	-	-	232,806
Consumer staples	295,270	-	-	295,270
Energy	134,663	-	-	134,663
Financials	193,685	-	-	193,685
Health care	346,594	-	-	346,594
Utilities	147,254	-	-	147,254
Telecommunications	145,248	-	-	145,248
Information technology	208,506	-	-	208,506
Mutual funds:				
Equity funds	755,391	-	-	755,391
Fixed income	4,690,157	-	-	4,690,157
Interest in net assets of Healthcare Charities	-	-	10,000	10,000
Corporate bonds	-	258,921	-	258,921
Beneficial interest in perpetual trusts	-	-	236,033	236,033
	<u>\$11,858,549</u>	<u>\$258,921</u>	<u>\$246,033</u>	<u>\$12,363,503</u>

A reconciliation of the fair value measurements using significant unobservable inputs (Level 3) is as follows at September 30:

	<u>2012</u>	<u>2011</u>
Beginning balance	\$246,033	\$259,144
Change in beneficial interest in perpetual trusts	<u>21,211</u>	<u>(13,111)</u>
	<u>\$267,244</u>	<u>\$246,033</u>

4. Beneficial Interest in Perpetual Trusts

The Hospital is the beneficiary of two irrevocable perpetual trusts for which it is not the trustee. The assets are held by an outside agency and are not under the control of the Hospital. The fair values of the trusts are determined by the trustee based on the fair values of the underlying assets and are recorded by the Hospital as beneficial interest in perpetual trusts and permanently restricted net assets.

SEBASTICOOK VALLEY HEALTH AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2012 and 2011

5. Property, Plant and Equipment

Property, plant and equipment consists of the following at September 30:

	<u>2012</u>	<u>2011</u>
Land and improvements	\$ 1,232,237	\$ 1,042,237
Buildings	9,912,815	9,621,119
Equipment	14,452,225	13,137,935
Equipment under capital lease	972,444	972,444
Construction in progress	<u>3,157,327</u>	<u>786,474</u>
	29,727,048	25,560,209
Less allowances for depreciation and amortization	<u>(17,111,380)</u>	<u>(15,801,782)</u>
	<u>\$ 12,615,668</u>	<u>\$ 9,758,427</u>

6. Deferred Compensation Plan

The Hospital allowed certain executives to defer a portion of their compensation into a deferred compensation trust account. The Hospital fully funded the nonqualified deferred compensation trust to provide supplemental retirement benefits for these employees. Under the plans, the assets were invested in individual accounts. Assets were reported at fair value and unrealized gains and losses were allocated to these individual accounts quarterly. The investments under the deferred compensation plans and the corresponding liability for deferred compensation at September 30, 2011 were \$170,348. Benefits were paid in full in 2012.

7. Long-Term Debt and Capital Leases

Long-term debt consists of the following obligations at September 30:

	<u>2012</u>	<u>2011</u>
MHHEFA 2004B Bonds, including bond premium of \$560 and \$758 at September 30, 2012 and 2011, respectively	\$ 213,525	\$ 298,723
MHHEFA 2001B Refunding Bonds, net of original issue discount of \$12,617 and \$14,067 at September 30, 2012 and 2011, respectively	2,629,960	2,898,511
Capital lease obligations	<u>94,953</u>	<u>276,365</u>
	2,938,438	3,473,599
Less current portion	<u>(464,953)</u>	<u>(535,699)</u>
	<u>\$2,473,485</u>	<u>\$2,937,900</u>

SEBASTICOOK VALLEY HEALTH AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2012 and 2011

7. Long-Term Debt and Capital Leases (Continued)

The indentures related to the MHHEFA bonds contain provisions regarding debt service coverage ratio, limitation on additional indebtedness, liens on property and equipment, and restrictions on encumbering revenues. The Hospital was in compliance with these requirements at September 30, 2012. The MHHEFA bonds mature in annual amounts and bear interest at rates as follows:

	<u>Interest Rates</u>
MHHEFA 2004B Bonds:	
\$85,000 on July 1, 2013 to \$90,000 on July 1, 2014 with the final payment due July 1, 2015	3.50% to 3.75%
MHHEFA 2001B Bonds:	
\$285,000 on July 1, 2013 to \$400,000 on July 1, 2020 with the final payment due July 1, 2021	4.80% to 5.20%

In connection with the MHHEFA Bonds, the Hospital is required to deposit with the trustee interest and principal in sufficient amounts to make semi-annual interest payments and to retire bonds when due. Assets held in trust under debt indentures at September 30, 2012 and 2011 are the assets of the debt service funds and consist of cash and cash equivalents. These assets aggregated \$128,561 and \$128,728 at September 30, 2012 and 2011, respectively.

The Hospital leases equipment which has been capitalized and included in property, plant and equipment. The assets recorded under the capital leases are \$972,444 with accumulated amortization of \$813,053 and \$618,564 at September 30, 2012 and 2011, respectively. Amortization of the capital leases of \$194,489 in 2012 and 2011 has been included in depreciation expense. Future minimum lease payments under the capital lease obligations at September 30, 2011 are as follows:

Total remaining payments	\$ 96,186
Less amounts representing interest	<u>(1,233)</u>
Capital lease obligations	94,953
Less current portion of capital lease obligations	<u>(94,953)</u>
Long-term obligations under capital lease	\$ <u>—</u>

Annual maturities of long-term debt, including the capital lease obligations referenced above, for the five fiscal years after September 30, 2012 are as follows:

2013	\$ 464,953
2014	385,000
2015	405,000
2016	325,000
2017	340,000

SEBASTICOOK VALLEY HEALTH AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2012 and 2011

8. Line of Credit

The Hospital had an available line of credit agreement with EMHS with interest at LIBOR plus 1% (1.22% at September 30, 2012). Maximum borrowings under the agreement are \$1,000,000. There was no outstanding balance at September 30, 2012. The line expires on October 1, 2013.

9. Net Patient Service Revenue

Net patient service revenue consists of the following for the years ended September 30:

	<u>2012</u>	<u>2011</u>
Full charges for services to patients:		
Daily patient services	\$ 2,644,356	\$ 2,999,310
Ancillary service revenue	7,403,110	7,579,865
Outpatient services	<u>45,146,539</u>	<u>45,054,654</u>
Total charges	55,194,005	55,633,829
Contractual adjustments	(18,499,490)	(19,433,724)
Charity care	<u>(1,860,037)</u>	<u>(2,067,021)</u>
Total reductions	<u>(20,359,527)</u>	<u>(21,500,745)</u>
Net patient service revenue	\$ <u>34,834,478</u>	\$ <u>34,133,084</u>

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

Medicare

Inpatient acute care services rendered to Medicare program beneficiaries are paid under a cost reimbursement methodology. Outpatient services are paid based on a combination of rate schedules and reimbursed cost. The Hospital is reimbursed for cost reimbursable items at an interim rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare fiscal intermediary. Final settlements have been determined for all years except 2005 through 2012. Revenues from the Medicare program accounted for approximately 36% and 39% of the Hospital's net patient revenue for 2012 and 2011, respectively.

MaineCare

MaineCare is a medical assistance program offered by the State of Maine Department of Human Services. Inpatient and outpatient services rendered to MaineCare program beneficiaries are reimbursed under a variety of methodologies, including prospective rates, fee schedules and cost reimbursement. The Hospital is reimbursed a prospective amount during the year with final settlement determined after submission of an annual cost report by the Hospital and audit thereof by MaineCare. Final settlements have been determined for all years except 2005 through 2012.

SEBASTICOOK VALLEY HEALTH AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2012 and 2011

9. Net Patient Service Revenue (Continued)

For the past several years, the interim payments used to reimburse the Hospital have been significantly below the amounts due to the Hospital, based upon the reimbursement statutes in effect each year. As a result, the consolidated balance sheets at September 30, 2012 and 2011, include amounts due from the State of Maine under the MaineCare program of approximately \$1,600,000 and \$1,800,000, respectively. The State's current budget does not fully provide for amounts due to the hospitals. Amounts representing settlements are not reasonably expected to be received within one year and are, therefore, reported as noncurrent assets. Although management believes the amounts recorded by the Hospital have been determined based upon statutes currently in effect, there is at least a reasonable possibility that recorded estimates will change by a material amount upon payment of final settlements by the MaineCare program.

Revenue from the MaineCare program accounted for approximately 19% and 17%, respectively, of the Hospital's net patient revenue for 2012 and 2011.

The State of Maine enacted legislation establishing a health care provider tax (State tax). As a result, the Hospital was subjected to and recorded \$732,630 and \$739,716 of State tax in 2012 and 2011, respectively. This tax is offset through increased reimbursement which is reflected as a decrease in contractual adjustments.

Other

The Hospital has entered into payment agreements with certain commercial insurance carriers and health maintenance organizations. The basis for payment to the Hospital is primarily discounts from established charges and prospectively determined daily rates.

Meaningful Use Revenue

The Medicare and Medicaid electronic health record (EHR) incentive programs provide a financial incentive for achieving "meaningful use" of certified EHR technology. The criteria for meaningful use will be staged in three steps from fiscal year 2012 through 2016. The meaningful use attestation is subject to audit by CMS in future years. As part of this process, a final settlement amount for the incentive payments could be established that differs from the initial calculation, and could result in return of a portion or all of the incentive payments received by the Hospital.

The Medicaid program will provide incentive payments to hospitals and eligible professionals as they adopt, implement, upgrade or demonstrate meaningful use in the first year of participation and demonstrate meaningful use for up to five remaining participation years. The State of Maine program was launched on October 2011, however, there was an attestation tail period from January 1, 2012 through March 31, 2012 where providers were allowed to apply late for payments related to program year 2011. During 2012, the Hospital recorded meaningful use revenues of \$568,724 as other revenue after attesting to Stage 1 meaningful use.

The Hospital 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 requirements applicable for the reporting period.

SEBASTICOOK VALLEY HEALTH AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2012 and 2011

10. Related Party Transactions

The Hospital purchases certain products and services from EMHS and other EMHS affiliates. Purchases during the years ended September 30, 2012 and 2011 totalled approximately \$5,052,035 and \$3,943,703, respectively. The Hospital had amounts due to EMHS affiliates of \$260,429 and \$201,129 at September 30, 2012 and 2011, respectively. At September 30, 2012 and 2011, the Hospital had amounts due from EMHS of \$9,576 and \$85, respectively. In 2012 and 2011, the Hospital received approximately \$195,642 and \$368,721, respectively, for services provided to EMHS affiliates.

The Hospital has a strategic planning pool agreement with EMHS. In 2012 and 2011, the Hospital contributed \$58,380 and \$28,872, respectively to EMHS.

Healthcare Charities, an EMHS affiliate, accepts donations on behalf of the Hospital. Healthcare Charities holds and manages these funds, both unrestricted and donor-restricted, for the benefit of various EMHS affiliates.

11. Temporarily and Permanently Restricted Net Assets

Temporarily restricted and permanently restricted net assets consist of the following at September 30:

	<u>2012</u>	<u>2011</u>
Temporarily restricted:		
Chapel Fund	\$ 10,213	\$ 10,213
Pledges receivable, net	288,785	3,292
Purchase of equipment	5,079	5,079
Free mammograms	30,464	48,370
Other	113,596	123,672
Realized and unrealized gains (losses) on endowment funds transferred as restricted under State of Maine statute	<u>17,740</u>	<u>(10,496)</u>
	<u>\$465,877</u>	<u>\$180,130</u>
Permanently restricted:		
Investments to be held in perpetuity of which the income is restricted by donors for specific purposes	\$105,995	\$103,495
Beneficial interest in perpetual trusts	<u>257,244</u>	<u>236,033</u>
	<u>\$363,239</u>	<u>\$339,528</u>

12. Volunteer Services (Unaudited)

Volunteer service hours received by the Hospital for the years ended September 30, 2012 and 2011 were approximately 1,100 and 1,000 hours, respectively. The volunteers provide nonspecialized services to the Hospital, none of which have been recognized as revenue or expense in the statements of operations and changes in net assets.

SEBASTICOOK VALLEY HEALTH AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2012 and 2011

13. Functional Expenses

The Hospital provides general health care services to residents within its geographic location. Expenses related to providing these services are as follows for the years ended September 30:

	<u>2012</u>	<u>2011</u>
Health care services	\$25,333,550	\$24,068,416
Administrative and general	6,084,129	5,556,304
State tax assessment	732,630	739,716
Provision for bad debts	2,377,779	2,050,351
Depreciation and amortization	1,462,269	1,386,407
Interest	<u>160,720</u>	<u>185,715</u>
	<u>\$36,151,077</u>	<u>\$33,986,909</u>

14. Concentration of Credit Risk and Other Concentrations

The Hospital grants credit without collateral to the patients, most of whom are local residents and are insured under third-party payor agreements. The mix of accounts receivable from patients and third-party payors at September 30 was as follows:

	<u>2012</u>	<u>2011</u>
Medicare	45%	48%
MaineCare	17	14
Commercial and other insurance	17	20
Patients	<u>21</u>	<u>18</u>
	<u>100%</u>	<u>100%</u>

The Hospital maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Hospital has not experienced any losses in such accounts and believes it is not exposed to any significant risk at September 30, 2012.

15. Commitments and Contingencies

Malpractice Insurance

Effective October 1, 2007, the Hospital became covered under the EMHS medical malpractice policy which insures on an occurrence basis. As of September 30, 2012, there were no known malpractice claims outstanding which, in the opinion of management, will be settled for amounts in excess of insurance coverage. The Hospital maintains tail coverage for potential claims prior to October 1, 2007.

In accordance with ASU No. 2010-24, Health Care Entities (Topic 954): *Presentation of Insurance Claims and Related Insurance Recoveries* (ASU 2010-24), the Hospital recorded a receivable and liability of \$1,474,491 and \$582,162 as of September 30, 2012 and 2011, respectively, related to estimated professional liability losses.

SEBASTICOOK VALLEY HEALTH AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended September 30, 2012 and 2011

15. Commitments and Contingencies (Continued)

Construction Contracts

The Hospital is in the process of completing an inpatient expansion project. Project costs are anticipated to be approximately \$10,936,000 of which approximately \$1,825,000 has been incurred and included in construction in progress. The project will be funded through the proceeds of a \$2,000,000 capital campaign and approximately \$8,000,000 of external financing, with the remainder funded through operations.

BAKER NEWMAN NOYES

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT ON ADDITIONAL INFORMATION

Board of Trustees
Sebasticook Valley Health

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



Limited Liability Company

Portland, Maine
November 21, 2012

SEBASTICOOK VALLEY HEALTH AND SUBSIDIARIES

CONSOLIDATING BALANCE SHEET

September 30, 2012

ASSETS

	<u>Sebasticook Valley Health</u>	<u>Sebasticook Valley Health Convenient Care, LLC</u>	<u>Sebasticook Valley Work Health</u>	<u>Elimi- nations</u>	<u>Consol- dated</u>
Current assets:					
Cash and cash equivalents	\$ 607,994	\$ 83,720	\$ 55,081	\$ -	\$ 746,795
Short-term investments	736,219	-	-	-	736,219
Assets held in trust under debt indentures	128,561	-	-	-	128,561
Patient accounts receivable, net of allowance for uncollectible accounts	3,278,646	-	13,745	-	3,292,391
Estimated third-party payor settlements	723,349	-	-	-	723,349
Other receivables, net of allowance for uncollectible accounts	48,055	-	-	-	48,055
Due from Eastern Maine Healthcare Systems	359,194	-	25,515	(375,133)	9,576
Inventories	269,381	-	-	-	269,381
Prepaid expenses and other assets	<u>224,391</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>224,391</u>
Total current assets	6,375,790	83,720	94,341	(375,133)	6,178,718
Property, plant and equipment, net	12,615,668	-	-	-	12,615,668
Assets whose use is limited or restricted:					
Board designated:					
Funded depreciation	1,015,918	-	-	-	1,015,918
Other designated funds	9,391,724	-	-	-	9,391,724
Temporarily donor-restricted	465,877	-	-	-	465,877
Permanently donor-restricted	105,995	-	-	-	105,995
Beneficial interest in perpetual trusts	<u>257,244</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>257,244</u>
Total assets whose use is limited or restricted	11,236,758	-	-	-	11,236,758
Other assets:					
Estimated settlement receivable from the State of Maine	1,626,054	-	-	-	1,626,054
Deferred financing costs, net	42,303	-	-	-	42,303
Other assets, net	<u>1,481,024</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,481,024</u>
	<u>3,149,381</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,149,381</u>
Total assets	<u>\$33,377,597</u>	<u>\$83,720</u>	<u>\$ 94,341</u>	<u>\$(375,133)</u>	<u>\$33,180,525</u>

LIABILITIES AND NET ASSETS

	<u>Sebasticook Valley Health</u>	<u>Sebasticook Valley Health Convenient Care, LLC</u>	<u>Sebasticook Valley Work Health</u>	<u>Elimi- nations</u>	<u>Consol- dated</u>
Current liabilities:					
Accounts payable	\$ 1,966,679	\$ 1,915	\$ -	\$ -	\$ 1,968,594
Due to Eastern Maine Healthcare Systems	285,944	83,720	265,898	(375,133)	260,429
Accrued expenses and other	2,190,719	-	-	-	2,190,719
Estimated third-party payor settlements	2,861,669	-	-	-	2,861,669
Current portion of long-term debt- and capital leases	<u>464,953</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>464,953</u>
Total current liabilities	7,769,964	85,635	265,898	(375,133)	7,746,364
Long-term estimated third- party payor settlements	2,199,339	-	-	-	2,199,339
Other liabilities	1,472,491	-	-	-	1,472,491
Long-term debt and capital leases, net of current portion	<u>2,473,485</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,473,485</u>
Total liabilities	13,915,279	85,635	265,898	(375,133)	13,891,679
Net assets:					
Unrestricted	18,633,202	(1,915)	(171,557)	-	18,459,730
Temporarily restricted	465,877	-	-	-	465,877
Permanently restricted	<u>363,239</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>363,239</u>
Total net assets	19,462,318	(1,915)	(171,557)	-	19,288,846
Total liabilities and net assets	<u>\$33,377,597</u>	<u>\$83,720</u>	<u>\$ 94,341</u>	<u>\$(375,133)</u>	<u>\$33,180,525</u>

SEBASTICOOK VALLEY HEALTH AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF OPERATIONS

Year Ended September 30, 2012

	Sebasticook Valley Health	Sebasticook Valley Health Convenient Care, LLC	Sebasticook Valley Work Health	Elimi- nations	Consol- dated
Unrestricted revenues and other support:					
Net patient service revenue	\$34,733,702	\$ 1,056	\$ 99,720	\$ -	\$34,834,478
Other revenue	949,511	-	-	(170,345)	779,166
Meaningful use revenue	568,724	-	-	-	568,724
Net assets released from restrictions for operations	<u>58,507</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,507</u>
 Total unrestricted revenues and other support	 36,310,444	 1,056	 99,720	 (170,345)	 36,240,875
Expenses:					
Salaries and wages	15,974,063	-	-	-	15,974,063
Employee benefits	3,585,661	-	-	-	3,585,661
Professional fees	1,791,790	-	32,600	-	1,824,390
Supplies	3,412,950	18	27,703	(8,778)	3,431,893
Utilities	578,655	-	-	-	578,655
Purchased services	4,308,420	8,363	174,291	(152,512)	4,338,562
Insurance	204,362	-	-	-	204,362
Other	1,456,102	1,346	31,700	(9,055)	1,480,093
State tax assessment	732,630	-	-	-	732,630
Provision for bad debts	2,368,603	4,193	4,983	-	2,377,779
Depreciation and amortization	1,462,269	-	-	-	1,462,269
Interest	<u>160,720</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>160,720</u>
 Total expenses	 <u>36,036,225</u>	 <u>13,920</u>	 <u>271,277</u>	 <u>(170,345)</u>	 <u>36,151,077</u>
 Operating income (loss)	 274,219	 (12,864)	 (171,557)	 -	 89,798
Other income (expense):					
Investment income	288,536	-	-	-	288,536
Unrestricted gifts	8,284	-	-	-	8,284
Fundraising costs	(12,904)	-	-	-	(12,904)
Net realized gains on investments	95,064	-	-	-	95,064
Net loss on disposal of property, plant and equipment	<u>(69,613)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(69,613)</u>
 Total other income (expense)	 <u>309,367</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>309,367</u>
 Excess of revenues over expenses	 <u>\$ 583,586</u>	 <u>\$(12,864)</u>	 <u>\$(171,557)</u>	 <u>\$ -</u>	 <u>\$ 399,165</u>

SEBASTICOOK VALLEY HEALTH

DETAIL OF NET PATIENT SERVICE REVENUE

Years Ended September 30, 2012 and 2011

	2012		
	Inpatient	Outpatient	Total
Routine services:			
Medical and surgical	\$ 2,434,256	\$ -	\$ 2,434,256
Special care unit	<u>210,100</u>	<u>-</u>	<u>210,100</u>
Total routine services	2,644,356	-	2,644,356
Ancillary services:			
Medical and surgical	372,437	533,931	906,368
Special care unit	18,397	-	18,397
Ambulance	94,479	1,913,402	2,007,881
Anesthesia	441,145	1,597,319	2,038,464
Diabetes and nutrition	-	50,530	50,530
Emergency department	137,899	4,525,364	4,663,263
Emergency physicians	13,901	2,148,427	2,162,328
Special procedures	18,194	355,666	373,860
Reg walk-in care	3,087	277,657	280,744
Xray	466,660	6,038,306	6,504,966
Nuclear medicine	122,972	1,650,925	1,773,897
Ultrasound	349,557	2,293,230	2,642,787
MRI	47,851	1,237,991	1,285,842
Laboratory	1,040,223	6,269,984	7,310,207
Operating room	1,106,099	4,475,832	5,581,931
Day surgery	28,920	714,165	743,085
Orthopedic surgeon	46,175	288,317	334,492
Pharmacy	1,463,842	1,922,215	3,386,057
Rehabilitation services	433,102	1,973,764	2,406,866
Respiratory	716,798	1,225,725	1,942,523
Women's health center	-	688,631	688,631
Sleep lab	-	394,142	394,142
Podiatry	9,398	479,562	488,960
Prosthetics	-	462	462
OB-GYN practice	20,540	368,745	389,285
Urology	45,542	517,366	562,908
Specialty services	-	2,962	2,962
Family care	-	1,626,198	1,626,198
Hospitalist	263,969	59,767	323,736
Somerset Surgical	124,812	458,887	583,699
Cardiology	17,089	249,736	266,825
Clinic	<u>21</u>	<u>704,365</u>	<u>704,386</u>
Total ancillary services	<u>7,403,109</u>	<u>45,043,573</u>	<u>52,446,682</u>
Total gross patient service revenue	<u>\$10,047,465</u>	<u>\$45,043,573</u>	55,091,038
Deductions from revenue:			
Contractual adjustments:			
Medicare			(11,257,826)
Medicaid			(5,513,728)
Other			<u>(1,725,745)</u>
Charity care			(18,497,299)
			<u>(1,860,037)</u>
			<u>(20,357,336)</u>
Net patient service revenue			<u>\$ 34,733,702</u>

2011		
<u>Inpatient</u>	<u>Outpatient</u>	<u>Total</u>
\$ 2,701,350	\$ -	\$ 2,701,350
<u>297,960</u>	<u>-</u>	<u>297,960</u>
2,999,310	-	2,999,310

481,730	195,873	677,603
33,313	-	33,313
145,510	1,858,004	2,003,514
338,184	1,491,097	1,829,281
-	54,160	54,160
116,799	5,031,747	5,148,546
21,455	2,217,647	2,239,102
38,263	476,459	514,722
776	354,326	355,102
345,857	5,870,582	6,216,439
50,195	1,208,687	1,258,882
334,213	1,774,139	2,108,352
42,633	1,499,902	1,542,535
984,231	5,939,432	6,923,663
896,477	4,465,084	5,361,561
25,618	863,999	889,617
56,592	262,364	318,956
1,660,194	1,519,260	3,179,454
544,221	1,854,271	2,398,492
1,008,568	1,281,220	2,289,788
-	699,525	699,525
-	456,034	456,034
10,324	526,749	537,073
-	30,596	30,596
43,906	488,443	532,349
27,587	605,905	633,492
-	1,346,075	1,346,075
41,962	1,904,982	1,946,944
233,254	38,691	271,945
98,003	601,269	699,272
-	-	-
-	-	-
<u>7,579,865</u>	<u>44,916,522</u>	<u>52,496,387</u>

\$10,579,175 \$44,916,522 55,495,697

(10,837,665)
(6,460,560)
(2,107,792)
(19,406,017)
(2,067,021)
(21,473,038)

\$ 34,022,659

SEBASTICOOK VALLEY HEALTH

DETAIL OF OTHER REVENUE

Years Ended September 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Cafeteria	\$103,545	\$ 81,929
Rehabilitation	37,061	28,956
Ultrasound	43,365	36,993
Grants	511,059	433,114
Rental income	9,903	8,721
Sebasticook Valley Convenient Care	1,272	366,131
Other	74,233	57,147
Sebasticook Valley Work Health	<u>169,073</u>	<u>—</u>
	<u>\$949,511</u>	<u>\$1,012,991</u>

SEBASTICOOK VALLEY HEALTH

DETAIL OF OPERATING EXPENSES

Years Ended September 30, 2012 and 2011

	2012			
	<u>Salary and Wages</u>	<u>Employee Benefits</u>	<u>Supplies and Other</u>	<u>Total</u>
Professional services:				
Medical and surgical	\$ 1,440,977	\$ 371,277	\$ 181,446	\$ 1,993,700
Cardiology	296,166	34,292	42,359	372,817
Special care unit	239,533	48,947	33,160	321,640
Ambulance	579,308	129,847	93,538	802,693
Anesthesia	335,112	39,005	104,490	478,607
Diabetes and nutrition	98,990	19,804	14,168	132,962
Emergency department	869,453	217,922	119,847	1,207,222
Emergency physicians	1,389,364	143,586	190,383	1,723,333
Special procedures	-	-	22,467	22,467
Reg walk-in care	198,842	57,810	111,658	368,310
Xray	382,763	120,975	294,799	798,537
Nuclear medicine	57,651	13,426	178,706	249,783
Ultrasound	84,002	27,022	438,935	549,959
MRI	24,228	17,304	406,342	447,874
Laboratory	652,766	161,602	1,042,431	1,856,799
Operating room	456,480	99,849	882,557	1,438,886
Day surgery	161,490	47,886	33,234	242,610
Orthopedic surgeon	571,148	51,081	224,475	846,704
Pharmacy	198,817	53,880	585,641	838,338
Rehabilitation services	811,503	213,857	29,388	1,054,748
Respiratory	207,833	50,786	77,027	335,646
Women's health center	101,403	25,429	134,086	260,918
Convenience Clinic	-	-	1,272	1,272
Healthy communities	19,207	3,005	34,201	56,413
Family practice grants	4,856	1,168	98,550	104,574
Drug free communities	75,035	24,984	10,423	110,442
Sleep lab	-	-	134,799	134,799
Podiatry	208,563	28,288	18,475	255,326
Prosthetics	-	-	8,402	8,402
OB-GYN practice	-	-	140,980	140,980
Specialty service	227,898	91,325	245,790	565,013
Hospitalist	264,666	34,700	634,276	933,642
Urology	-	-	229,667	229,667
Family care	1,427,690	338,352	255,107	2,021,149
Somerset Surgical	190,918	28,333	423,132	642,383
Education	55,505	13,258	17,277	86,040
Health Information Management	291,027	92,299	404,449	787,775
Central sterile	-	-	30,042	30,042
OSA grant	14,390	1,622	7,837	23,849
Community partnership	72,847	12,759	109,496	195,102
Dental grant	-	-	32	32
Care management	121,597	32,365	16,086	170,048
Occupational health	120,214	31,571	9,833	161,618
Detroit Specialty Services	66,981	21,170	62,086	150,237
Total professional services	12,319,223	2,700,786	8,133,349	23,153,358

2011

<u>Salary and Wages</u>	<u>Employee Benefits</u>	<u>Supplies and Other</u>	<u>Total</u>
\$ 1,432,403	\$ 318,567	\$ 211,719	\$ 1,962,689
-	-	-	-
282,660	55,593	38,334	376,587
523,570	110,173	92,132	725,875
183,470	16,669	357,453	557,592
97,726	17,352	6,507	121,585
938,460	200,200	152,903	1,291,563
1,006,994	125,044	595,818	1,727,856
-	-	23,058	23,058
217,359	54,919	72,406	344,684
353,911	107,183	332,945	794,039
52,798	13,062	131,997	197,857
55,364	18,803	329,638	403,805
24,892	16,973	409,728	451,593
647,187	162,808	1,047,221	1,857,216
477,721	115,669	736,001	1,329,391
138,495	35,775	38,575	212,845
356,498	33,900	335,764	726,162
191,625	46,498	582,926	821,049
781,460	201,632	64,477	1,047,569
183,254	45,000	78,757	307,011
102,051	27,020	137,256	266,327
216,974	52,665	66,291	335,930
8,927	1,469	20,993	31,389
25,437	8,678	82,750	116,865
51,105	11,080	8,717	70,902
-	-	152,702	152,702
184,247	30,780	69,486	284,513
25,454	9,023	15,768	50,245
-	-	152,492	152,492
243,385	81,329	276,682	601,396
312,395	36,421	16,215	365,031
-	-	237,025	237,025
1,524,500	369,214	283,980	2,177,694
231,082	25,742	159,507	416,331
55,529	14,474	26,286	96,289
285,757	90,623	359,813	736,193
-	-	29,047	29,047
2,578	252	18,831	21,661
61,087	12,542	101,790	175,419
31,929	4,117	6,018	42,064
120,295	33,010	16,752	170,057
-	-	-	-
<u>59,681</u>	<u>18,558</u>	<u>64,672</u>	<u>142,911</u>
11,488,260	2,522,817	7,941,432	21,952,509

SEBASTICOOK VALLEY HEALTH

DETAIL OF OPERATING EXPENSES (CONTINUED)

Years Ended September 30, 2012 and 2011

	2012			
	Salary and Wages	Employee Benefits	Supplies and Other	Total
Dietary, household and plant operations:				
Dietary	\$ 224,189	\$ 39,260	\$ 237,366	\$ 500,815
Housekeeping	303,429	93,897	91,436	488,762
Laundry/linen	-	-	94,181	94,181
Plant maintenance	179,800	56,300	608,780	844,880
Security	1,646	244	-	1,890
Step Center building	-	-	13,567	13,567
Main Street building	-	-	8,654	8,654
Leighton Street building	-	-	40,917	40,917
Ambulance garage	-	-	8,109	8,109
Newport building	-	-	32,055	32,055
PPC building	-	-	23,461	23,461
Dow building	-	-	17,225	17,225
	<hr/>	<hr/>	<hr/>	<hr/>
Total dietary, household and plant operations	709,064	189,701	1,175,751	2,074,516
Administration and general:				
Accounting	158,573	46,761	160,077	365,411
Administration	1,319,345	198,282	1,062,616	2,580,243
Business development	48,549	10,806	1,324	60,679
Employee benefits	-	(1,086)	1,086	-
Fundraising	-	-	163,873	163,873
Human resources	114,087	62,620	103,041	279,748
Information systems	228,521	56,012	528,536	813,069
Business office	350,601	118,855	219,555	689,011
Purchasing	79,941	9,273	(1,597)	87,617
Central registration	298,896	108,076	24,429	431,401
Performance improvement	202,646	43,657	18,279	264,582
Marketing	52,597	17,052	146,393	216,042
Scheduling	64,586	14,883	1,062	80,531
Transportation	27,434	9,983	10,532	47,949
E-Quest initiative	-	-	3,973	3,973
	<hr/>	<hr/>	<hr/>	<hr/>
Total administration and general	2,945,776	695,174	2,443,179	6,084,129
State tax assessment	-	-	732,630	732,630
Provision for bad debts	-	-	2,368,603	2,368,603
Depreciation and amortization	-	-	1,462,269	1,462,269
Interest	-	-	160,720	160,720
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>\$15,974,063</u>	<u>\$3,585,661</u>	<u>\$16,476,501</u>	<u>\$36,036,225</u>

2011

<u>Salary and Wages</u>	<u>Employee Benefits</u>	<u>Supplies and Other</u>	<u>Total</u>
\$ 224,219	\$ 32,432	\$ 207,682	\$ 464,333
299,447	78,996	71,351	449,794
--	--	99,744	99,744
203,309	65,491	635,391	904,191
--	--	--	--
--	--	15,207	15,207
--	--	10,895	10,895
--	--	55,749	55,749
--	--	8,827	8,827
--	--	32,289	32,289
--	--	28,233	28,233
--	--	15,685	15,685
<hr/>	<hr/>	<hr/>	<hr/>
726,975	176,919	1,181,053	2,084,947
150,015	39,150	137,934	327,099
1,226,975	176,219	1,089,076	2,492,270
36,752	7,810	1,923	46,485
--	(86,104)	9,109	(76,995)
--	--	--	--
105,065	75,049	124,509	304,623
175,647	47,263	383,561	606,471
398,588	122,160	221,531	742,279
85,934	15,376	(12,451)	88,859
254,005	98,739	27,679	380,423
193,281	36,072	7,816	237,169
116,929	30,942	170,826	318,697
33,299	9,322	197	42,818
26,006	8,196	9,974	44,176
--	--	1,928	1,928
<hr/>	<hr/>	<hr/>	<hr/>
2,802,496	580,194	2,173,612	5,556,302
--	--	739,716	739,716
--	--	2,046,648	2,046,648
--	--	1,386,407	1,386,407
--	--	185,715	185,715
<hr/>	<hr/>	<hr/>	<hr/>
<u>\$15,017,731</u>	<u>\$3,279,930</u>	<u>\$15,654,583</u>	<u>\$33,952,244</u>