

Form **990**

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

2012

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 2012 calendar year, or tax year beginning OCT 1, 2012 and ending SEP 30, 2013

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization		D Employer identification number	
	Northern Maine Medical Center		01-0234189	
	Doing Business As			
	Number and street (or P.O. box if mail is not delivered to street address) Room/suite		E Telephone number	
194 East Main Street		(207) 834-3155		
City, town, or post office, state, and ZIP code		G Gross receipts \$		
Fort Kent, ME 04743		46,875,759.		
F Name and address of principal officer: Peter J. Sirois same as C above		H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
		H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No		
		If "No," attach a list. (see instructions)		
I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		H(c) Group exemption number ▶		
J Website: ▶ www.nmmc.org				
K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		L Year of formation: 1948 M State of legal domicile: ME		

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: Acute care & long term care hospital and mental health services facility.
	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 7
	5 Total number of individuals employed in calendar year 2012 (Part V, line 2a) 5 563
	6 Total number of volunteers (estimate if necessary) 6 16
	7a Total unrelated business revenue from Part VIII, column (C), line 12 7a 30,477.
b Net unrelated business taxable income from Form 990-T, line 34 7b -39,967.	

Revenue			Prior Year	Current Year	
	8 Contributions and grants (Part VIII, line 1h)			326,474.	661,490.
9 Program service revenue (Part VIII, line 2g)			51,508,846.	44,712,601.	
10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)			13,679.	-379,803.	
11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)			532,772.	909,087.	
12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)			52,381,771.	45,903,375.	
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)			0.	0.
	14 Benefits paid to or for members (Part IX, column (A), line 4)			0.	0.
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)			20,365,008.	26,308,386.
	16a Professional fundraising fees (Part IX, column (A), line 11e)			0.	0.
	b Total fundraising expenses (Part IX, column (D), line 25) ▶ 0.				
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)			23,459,225.	18,074,245.
18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)			43,824,233.	44,382,631.	
19 Revenue less expenses. Subtract line 18 from line 12			8,557,538.	1,520,744.	

Net Assets or Fund Balances			Beginning of Current Year	End of Year
	20 Total assets (Part X, line 16)			41,506,381.
21 Total liabilities (Part X, line 26)			17,987,370.	21,562,847.
22 Net assets or fund balances. Subtract line 21 from line 20			23,519,011.	25,050,037.

Part II Signature Block

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

Sign Here	▶ Signature of officer	Date
	▶ Peter J. Sirois, CEO	
	Type or print name and title	

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Barbara J. McGuan, CPA	Barbara J. McGuan, C	08/12/14		P00219457
	Firm's name ▶ Berry Dunn McNeil & Parker, LLC	Firm's EIN ▶ 01-0523282			
	Firm's address ▶ P.O. Box 1100 Portland, ME 04104-1100		Phone no. (207) 775-2387		

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission: The mission of Northern Maine Medical Center is to provide, coordinate, or support access to high quality, affordable health care and to positively impact our communities' quality of life by improving health status.

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

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

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

4a (Code:) (Expenses \$ 36,948,463. including grants of \$) (Revenue \$ 45,314,363.) Medical care & ancillary services, nursing home & skilled services, physician services.

4b (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4c (Code:) (Expenses \$ including grants of \$) (Revenue \$)

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

4e Total program service expenses 36,948,463.

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> ?	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, for escrow or custodial account liability; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <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 and XII</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 and XII 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</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
20a	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 any government or organization 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, 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?		
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?		
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
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, highest 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, Part II, III, or IV, and Part V, line 1</i>	X	
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?	X	
b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <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 11b and 19?	X	

Note. All Form 990 filers are required to complete Schedule O

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

Main body of the form containing questions 1a through 14b and corresponding Yes/No columns.

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

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

Section A. Governing Body and Management

Table with columns for question number, description, and Yes/No checkboxes. Includes questions 1a through 9 regarding governing body members, relationships, and documentation.

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

Table with columns for question number, description, and Yes/No checkboxes. Includes questions 10a through 16b regarding local chapters, conflict of interest, whistleblower policy, and compensation.

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed ME
18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection.
19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: Cindy Daigle - (207)834-3155

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) Dan Vaillancourt Director	1.00 0.50	X					0.	0.	0.	
(2) Ronald Daigle President	2.00 1.00	X		X			0.	0.	0.	
(3) Clifford Ouellette Past Treasurer	1.00 0.50	X		X			0.	0.	0.	
(4) Frances LaBrie Secretary	1.00 0.50	X		X			0.	0.	0.	
(5) Glenn Lamarr Treasurer	1.00 0.50	X		X			0.	0.	0.	
(6) Guy Raymond, M.D. Past Director	50.00 0.50	X					374,180.	0.	27,253.	
(7) John Ezzy Director	1.00 0.50	X					0.	0.	0.	
(8) Norman Fournier Vice-President	1.00 0.50	X		X			0.	0.	0.	
(9) James Thibodeau Director	1.00 0.50	X					0.	0.	0.	
(10) Mark Morneau Director	1.00 0.50	X					0.	0.	0.	
(11) Robert Bellefleur Director	1.00 0.50	X					1,115.	0.	0.	
(12) Michael Sullivan, M.D. Director	50.00 0.50	X					461,783.	0.	25,401.	
(13) Mark Chamberland Director	1.00 0.50	X					0.	0.	0.	
(14) Peter J. Sirois CEO	50.00 0.50			X			178,915.	0.	25,834.	
(15) Cindy L. Daigle CFO	50.00 0.50			X			133,328.	0.	20,412.	
(16) David Jones ER Physician	50.00 0.00				X		340,562.	0.	18,859.	
(17) Eve Wolinsky Psychiatrist	50.00 0.00				X		207,223.	0.	9,246.	

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(18) Mark Overton Psychiatrist	50.00 0.00					X		181,859.	0.	19,702.
(19) William Rand Orthopedic Surgeon	50.00 0.00					X		176,722.	0.	3,472.
(20) David Coffman General Surgeon	50.00 0.00					X		140,766.	0.	3,546.
1b Sub-total								2,196,453.	0.	153,725.
c Total from continuation sheets to Part VII, Section A								0.	0.	0.
d Total (add lines 1b and 1c)								2,196,453.	0.	153,725.

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 **12**

	Yes	No
3 Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual	X	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If "Yes," complete Schedule J for such person		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
Quest Diagnostics, 12436 Collections Center Drive, Chicago, IL 60693-2436	Off-Site Laboratory Services	457,798.
Erik St. Pierre, M.D. PO Box 32, Fort Kent, ME 04743	ER Physician Coverage	449,352.
Cary Medical Center, 163 Van Buren Road, Suite #1, Caribou, ME 04736	Off-Site Laboratory Services	389,253.
Synernet, Inc. 110 Free Street, Portland, ME 04101	Off-Site Transcription Service	351,039.
QIR, 105 Continental Place, Brentwood, TN 37027-1018	Management & Consulting Services	266,726.

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **9**

Part VIII Statement of Revenue

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

			(A)	(B)	(C)	(D)	
			Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512, 513, or 514	
Contributions, Gifts, Grants and Other Similar Amounts	1 a Federated campaigns	1a					
	b Membership dues	1b					
	c Fundraising events	1c					
	d Related organizations	1d					
	e Government grants (contributions)	1e	575,000.				
	f All other contributions, gifts, grants, and similar amounts not included above	1f	86,490.				
	g Noncash contributions included in lines 1a-1f: \$						
	h Total. Add lines 1a-1f			661,490.			
	Program Service Revenue	2 a Patient Service Revenue	Business Code 623000	71,911,300.	71,911,300.		
b Meaningful Use Revenue		623000	1,048,878.	1,048,878.			
c Miscellaneous Revenue		623000	518,411.	361,135.	30,477.	126,799.	
d Provision for Bad Debt		623000	-1,354,273.	-1,354,273.			
e Contractual/Char. Adj.		623000	-27,411,715.	-27,411,715.			
f All other program service revenue							
g Total. Add lines 2a-2f				44,712,601.			
Other Revenue		3 Investment income (including dividends, interest, and other similar amounts)		14,207.			14,207.
	4 Income from investment of tax-exempt bond proceeds						
	5 Royalties						
	6 a Gross rents	(i) Real	113,849.				
		(ii) Personal	0.				
		b Less: rental expenses					
		c Rental income or (loss)	113,849.				
	d Net rental income or (loss)		113,849.			113,849.	
	7 a Gross amount from sales of assets other than inventory	(i) Securities					
		(ii) Other	562,000.				
		b Less: cost or other basis and sales expenses		956,010.			
		c Gain or (loss)		-394,010.			
	d Net gain or (loss)		-394,010.			-394,010.	
	8 a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	a	52,574.				
		b Less: direct expenses	16,374.				
c Net income or (loss) from fundraising events			36,200.			36,200.	
9 a Gross income from gaming activities. See Part IV, line 19	a						
	b Less: direct expenses						
	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						
	c Net income or (loss) from sales of inventory						
Miscellaneous Revenue		Business Code					
11 a Insurance Captive		900099	759,038.	759,038.			
	b						
	c						
	d All other revenue						
	e Total. Add lines 11a-11d			759,038.			
12 Total revenue. See instructions.			45,903,375.	45,314,363.	30,477.	-102,955.	

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21				
2 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	1,248,221.	888,617.	359,604.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	21,131,404.	16,988,617.	4,142,787.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	303,196.	243,203.	59,993.	
9 Other employee benefits	2,179,820.	1,769,676.	410,144.	
10 Payroll taxes	1,445,745.	1,156,596.	289,149.	
11 Fees for services (non-employees):				
a Management				
b Legal	164,066.	131,253.	32,813.	
c Accounting	62,529.	50,023.	12,506.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)	306,407.	245,126.	61,281.	
12 Advertising and promotion	63,751.	51,001.	12,750.	
13 Office expenses	5,031,677.	4,038,441.	993,236.	
14 Information technology				
15 Royalties				
16 Occupancy	1,652,951.	1,322,361.	330,590.	
17 Travel	238,124.	190,499.	47,625.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	314,021.	251,217.	62,804.	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	2,134,192.	1,707,353.	426,839.	
23 Insurance	960,236.	768,189.	192,047.	
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 Medical Supplies	4,023,374.	4,023,374.		
b Valley Medical Associat	1,956,056.	1,956,056.		
c Health Care Provider Ta	1,166,861.	1,166,861.		
d _____				
e All other expenses _____				
25 Total functional expenses. Add lines 1 through 24e	44,382,631.	36,948,463.	7,434,168.	0.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

Check here if following SOP 98-2 (ASC 958-720)

Part X Balance Sheet

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

		(A) Beginning of year		(B) End of year	
Assets	1 Cash - non-interest-bearing	1,429,127.	1	308,223.	
	2 Savings and temporary cash investments	5,155,387.	2	11,811,311.	
	3 Pledges and grants receivable, net		3		
	4 Accounts receivable, net	5,956,715.	4	5,792,616.	
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	16,096.	
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instr). Complete Part II of Sch L		6		
	7 Notes and loans receivable, net	67,585.	7	76,856.	
	8 Inventories for sale or use	785,292.	8	716,381.	
	9 Prepaid expenses and deferred charges	264,800.	9	272,240.	
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 43,727,619.			
	b Less: accumulated depreciation	10b 24,486,596.	16,681,782.	10c	19,241,023.
	11 Investments - publicly traded securities	73,287.	11	109,488.	
	12 Investments - other securities. See Part IV, line 11		12		
	13 Investments - program-related. See Part IV, line 11		13		
	14 Intangible assets	226,141.	14	515,861.	
	15 Other assets. See Part IV, line 11	10,866,265.	15	7,752,789.	
16 Total assets. Add lines 1 through 15 (must equal line 34)	41,506,381.	16	46,612,884.		
Liabilities	17 Accounts payable and accrued expenses	5,326,367.	17	6,767,375.	
	18 Grants payable		18		
	19 Deferred revenue		19		
	20 Tax-exempt bond liabilities		20		
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21		
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22		
	23 Secured mortgages and notes payable to unrelated third parties	8,525,281.	23	8,565,946.	
	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	4,135,722.	25	6,229,526.	
	26 Total liabilities. Add lines 17 through 25	17,987,370.	26	21,562,847.	
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.				
	27 Unrestricted net assets	23,131,004.	27	24,674,605.	
	28 Temporarily restricted net assets	388,007.	28	375,432.	
	29 Permanently restricted net assets		29		
	Organizations that do not follow SFAS 117 (ASC 958), 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	23,519,011.	33	25,050,037.	
34 Total liabilities and net assets/fund balances	41,506,381.	34	46,612,884.		

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	45,903,375.
2	Total expenses (must equal Part IX, column (A), line 25)	2	44,382,631.
3	Revenue less expenses. Subtract line 2 from line 1	3	1,520,744.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	23,519,011.
5	Net unrealized gains (losses) on investments	5	10,282.
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	0.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	25,050,037.

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? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		X
2b	Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	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	
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	X	

Form 990 (2012)

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

2012

Open to Public Inspection

Name of the organization: **Northern Maine Medical Center**
Employer identification number: **01-0234189**

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

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

- 1 A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
- 2 A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E.)
- 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: _____
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)
- 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
- 8 A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
- 9 An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)
- 10 An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**
- 11 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h.
 - a Type I
 - b Type II
 - c Type III - Functionally integrated
 - d Type III - Non-functionally integrated
- e By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
- f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

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

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

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

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(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) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(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 2012 (line 6, column (f) divided by line 11, column (f))	14	%
15 Public support percentage from 2011 Schedule A, Part II, line 14	15	%
16a 33 1/3% support test - 2012. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
b 33 1/3% support test - 2011. 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 - 2012. 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 - 2011. 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 year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support. (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						

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

Section C. Computation of Public Support Percentage

15 Public support percentage for 2012 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2011 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2012 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2011 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests - 2012. 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 - 2011. 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 B
(Form 990, 990-EZ,
or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

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

OMB No. 1545-0047

2012

Name of the organization

Northern Maine Medical Center

Employer identification number

01-0234189

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)(3) (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

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

Special Rules

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

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

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

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

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF. Schedule B (Form 990, 990-EZ, or 990-PF) (2012)

Name of organization Northern Maine Medical Center	Employer identification number 01-0234189
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Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
<u>1</u>	_____ _____ _____	\$ <u>10,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
<u>2</u>	_____ _____ _____	\$ <u>6,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
<u>3</u>	_____ _____ _____	\$ <u>575,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
_____	_____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
_____	_____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
_____	_____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization Northern Maine Medical Center	Employer identification number 01-0234189
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Part II Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed.

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

Name of organization Northern Maine Medical Center	Employer identification number 01-0234189
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Part III Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations that total more than \$1,000 for the year. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this information once.) ▶ \$ _____
Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	

SCHEDULE C
(Form 990 or 990-EZ)

Political Campaign and Lobbying Activities

OMB No. 1545-0047

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

2012

Department of the Treasury
Internal Revenue Service

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

Open to Public Inspection

▶ **See separate instructions.**

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

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

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

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

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

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

Name of organization Northern Maine Medical Center	Employer identification number 01-0234189
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Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

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

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

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

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

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

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds. If none, enter -0-.	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization. If none, enter -0-.

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ. Schedule C (Form 990 or 990-EZ) 2012

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.			
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 on page 4.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

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

For each "Yes," response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.	(a)		(b)
	Yes	No	Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a Volunteers?		X	
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)? ..		X	
c Media advertisements?		X	
d Mailings to members, legislators, or the public?		X	
e Publications, or published or broadcast statements?		X	
f Grants to other organizations for lobbying purposes?		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body?		X	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		X	
i Other activities?	X		11,110.
j Total. Add lines 1c through 1i			11,110.
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		X	
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

Part IV Supplemental Information

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

Part II-B, Line 1, Lobbying Activities:

The Hospital pays dues to various organizations, a portion of which is attributable to lobbying expenses.

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2012

Open to Public Inspection

Name of the organization

Northern Maine Medical Center

Employer identification number

01-0234189

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).

Preservation of land for public use (e.g., recreation or education) Preservation of an historically important land area

Protection of natural habitat Preservation of a certified historic structure

Preservation of open space

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

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

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

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

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

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

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

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

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

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

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

- 3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):
- a Public exhibition
 - b Scholarly research
 - c Preservation for future generations
 - d Loan or exchange programs
 - e Other _____

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

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

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

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

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

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

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

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII

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

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

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 _____ %
- c Temporarily restricted endowment _____ %

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

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

- (i) unrelated organizations
- (ii) related organizations

	Yes	No
3a(i)		
3a(ii)		
3b		

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		196,477.		196,477.
b Buildings		21,869,699.	8,655,138.	13,214,561.
c Leasehold improvements		1,065,483.	956,024.	109,459.
d Equipment		18,765,152.	14,875,434.	3,889,718.
e Other		1,830,808.		1,830,808.
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				19,241,023.

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

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

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

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

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

(a) Description	(b) Book value
(1) Deferred Compensation	682,904.
(2) Cash Surrender Value of Life Insurance	227,164.
(3) Interest in Synernet Reinsurance	1,913,030.
(4) Meaningful Use Receivables	636,607.
(5) Estimated Third-Party Payor Settlements	2,615,084.
(6) Insurance Claim Receivable	1,678,000.
(7)	
(8)	
(9)	
(10)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.)	7,752,789.

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

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) Deferred Compensation	682,904.
(3) Estimated Third-Party Payor	
(4) Settlements	5,471,429.
(5) Due to Affiliate	75,193.
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.)	6,229,526.

2. FIN 48 (ASC 740) Footnote. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return		
1	Total revenue, gains, and other support per audited financial statements	1
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:	
a	Net unrealized gains on investments	2a
b	Donated services and use of facilities	2b
c	Recoveries of prior year grants	2c
d	Other (Describe in Part XIII.)	2d
e	Add lines 2a through 2d	2e
3	Subtract line 2e from line 1	3
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 XIII.)	4b
c	Add lines 4a and 4b	4c
5	Total revenue. Add lines 3 and 4c . (This must equal Form 990, Part I, line 12.)	5

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

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

Part X, Line 2:

The Medical Center and VMA are not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code (the Code), and are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. Management evaluated the Medical Center's tax positions and concluded the Medical Center has maintained its tax-exempt status, does not have any significant unrelated business income and has taken no

Part II Fundraising Events. Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

		(a) Event #1	(b) Event #2	(c) Other events	(d) Total events (add col. (a) through col. (c))
		2013 Cancer Fund Tour (event type)	Mammography Fund Raising (event type)	None (total number)	
Revenue	1 Gross receipts	15,155.	37,419.		52,574.
	2 Less: Contributions				
	3 Gross income (line 1 minus line 2)	15,155.	37,419.		52,574.
Direct Expenses	4 Cash prizes		760.		760.
	5 Noncash prizes	1,991.	4,340.		6,331.
	6 Rent/facility costs		2,750.		2,750.
	7 Food and beverages	607.	3,021.		3,628.
	8 Entertainment				
	9 Other direct expenses	1,375.	1,530.		2,905.
	10 Direct expense summary. Add lines 4 through 9 in column (d)				(16,374)
	11 Net income summary. Combine line 3, column (d), and line 10				36,200.

Part III Gaming. Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col. (a) through col. (c))
		1 Gross revenue			
Direct Expenses	2 Cash prizes				
	3 Noncash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	
7 Direct expense summary. Add lines 2 through 5 in column (d)				(_____)	
8 Net gaming income summary. Combine line 1, column d, and line 7					

9 Enter the state(s) in which the organization operates gaming activities: _____
a Is the organization licensed to operate gaming activities in each of these states? Yes No
b If "No," explain: _____

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? Yes No
b If "Yes," explain: _____

**SCHEDULE H
(Form 990)**

Hospitals

OMB No. 1545-0047

2012

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

Name of the organization **Northern Maine Medical Center** Employer identification number **01-0234189**

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	<input checked="" type="checkbox"/>	
b If "Yes," was it a written policy?	<input checked="" type="checkbox"/>	
2 If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year. <input checked="" 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) as a factor in determining 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 checked="" type="checkbox"/>	
<input type="checkbox"/> 100% <input type="checkbox"/> 150% <input checked="" type="checkbox"/> 200% <input type="checkbox"/> Other _____ %		
b Did the organization use FPG as a factor in determining 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 checked="" type="checkbox"/>	
<input type="checkbox"/> 200% <input checked="" type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input type="checkbox"/> Other _____ %		
c If the organization used factors other than FPG in determining eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care.		
4 Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?		<input checked="" type="checkbox"/>
5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	<input checked="" type="checkbox"/>	
b If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	<input checked="" type="checkbox"/>	
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?		<input checked="" type="checkbox"/>
6a Did the organization prepare a community benefit report during the tax year?		<input checked="" type="checkbox"/>
b If "Yes," did the organization make it available to the public?		

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

7 Financial Assistance and Certain Other Community Benefits at Cost	(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)			558,721.		558,721.	1.26%
b Medicaid (from Worksheet 3, column a)			3,735,838.	1,954,392.	1,781,446.	4.01%
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs			4,294,559.	1,954,392.	2,340,167.	5.27%
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)						
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)			21,517,099.	17,938,240.	3,578,859.	8.06%
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)						
j Total. Other Benefits			21,517,099.	17,938,240.	3,578,859.	8.06%
k Total. Add lines 7d and 7j			25,811,658.	19,892,632.	5,919,026.	13.33%

Part V Facility Information (continued)

Section B. Facility Policies and Practices

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

Name of hospital facility or facility reporting group Northern Maine Medical Center

For single facility filers only: line number of hospital facility (from Schedule H, Part V, Section A) 1

	Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)		
1 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9	X	
If "Yes," indicate what the CHNA report 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)		
2 Indicate the tax year the hospital facility last conducted a CHNA: <u>20 11</u>		
3 In conducting its most recent CHNA, did the hospital facility take into account input from representatives of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	X	
4 Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	X	
5 Did the hospital facility make its CHNA report widely available to the public?	X	
If "Yes," indicate how the CHNA report was made widely available (check all that apply):		
a <input 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)		
6 If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply to date):		
a <input checked="" type="checkbox"/> Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA		
b <input type="checkbox"/> Execution of the implementation strategy		
c <input type="checkbox"/> Participation in the development of a community-wide plan		
d <input type="checkbox"/> Participation in the execution of a community-wide 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 CHNA		
g <input checked="" type="checkbox"/> Prioritization of health needs in its community		
h <input checked="" 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)		
7 Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs		X
8a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?		X
8b If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?		
c If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$ _____		

Part V Facility Information (continued) Northern Maine Medical Center

Financial Assistance Policy		Yes	No
Did the hospital facility have in place during the tax year a written financial assistance policy that:			
9	Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	X	
10	Used federal poverty guidelines (FPG) to determine eligibility for providing <i>free</i> care?	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.		
11	Used FPG to determine eligibility for providing <i>discounted</i> care?	X	
	If "Yes," indicate the FPG family income limit for eligibility for discounted care: <u>250</u> %		
	If "No," explain in Part VI the criteria the hospital facility used.		
12	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)		
13	Explained the method for applying for financial assistance?	X	
14	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 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 checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms		
d	<input checked="" 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 type="checkbox"/> Other (describe in Part VI)		
Billing and Collections			
15	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	X	
16	Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine 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)		
17	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the 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)		

Part V Facility Information (continued) Northern Maine Medical Center

- 18** Indicate which efforts the hospital facility made before initiating any of the actions listed in line 17 (check all that apply):
- a Notified individuals of the financial assistance policy on admission
 - b Notified individuals of the financial assistance policy prior to discharge
 - c Notified individuals of the financial assistance policy in communications with the patients regarding the patients' bills
 - d Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy
 - e Other (describe in Part VI)

Policy Relating to Emergency Medical Care

19 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?

	Yes	No
19	<input checked="" type="checkbox"/>	

If "No," indicate why:

- a The hospital facility did not provide care for any emergency medical conditions
- b The hospital facility's policy was not in writing
- c The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)
- d Other (describe in Part VI)

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

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

- a The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged
- b The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged
- c The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged
- d Other (describe in Part VI)

21 During the tax year, did the hospital facility charge any of its FAP-eligible individuals, to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care?

If "Yes," explain in Part VI.

21		<input checked="" type="checkbox"/>
22		<input checked="" type="checkbox"/>

22 During the tax year, did the hospital facility charge any FAP-eligible individuals an amount equal to the gross charge for any service provided to that individual?

If "Yes," explain in Part VI.

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; Part V, Section A; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22.
- 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.
- 8 Facility reporting group(s).** If applicable, for each hospital facility in a facility reporting group provide the descriptions required for Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22.

Part I, Line 7: The amounts reported on Lines 7a & 7b were computed using a cost-to-charge ratio. Amounts on line 7g are derived from internal financial/cost accounting systems.

Part I, Line 7g: Subsidized health services on line 7g include physician clinics, rural health centers, a skilled nursing facility, and emergency room.

Form 990, Part I, Line 3c: Northern Maine Medical Center uses the Federal Poverty Guidelines to determine eligibility.

Part II: N/A

Part III, Line 4: In evaluating the collectibility of accounts receivable, the Medical Center analyzes past results and identifies trends for each of its major payor sources of revenue to estimate the appropriate

Part VI Supplemental Information

allowance for doubtful accounts and provision for doubtful accounts. Management regularly reviews data about these major payor sources in evaluating the sufficiency of the allowance for doubtful accounts. For receivables associated with services provided to patients who have third-party coverage, the Medical Center analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for doubtful accounts, if necessary. For receivables associated with self-pay patients (which include both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Medical Center records a provision for doubtful accounts in the period of service based on past experience, which indicates that many patients are unable or unwilling to pay amounts for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated or eligible) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged against the allowance for doubtful accounts.

Northern Maine Medical Center:

Part V, Section B, Line 1j: Northern Maine Medical Center (NMMC) is located in Fort Kent, Maine (Aroostook County). Aroostook County is considered rural by the State of Maine and the United States Census Bureau. The hospital service area (HSA) as defined by the Maine Health Data Organization (MHDO) uses the statistical method to determine where the greatest proportion of residents received their inpatient care. The following towns make up the NMMC HSA as defined by the MHDO: Allagash, Eagle Lake, Fort Kent, Frenchville, Grand Isle, Madawaska, New Canada, St. Agatha, St. Francis, St. John Plt, Wallagrass, Winterville Plt., Big

Part VI Supplemental Information

Twenty Twp and several surrounding unorganized territories. In 2009, the percentage of Fort Kent residents with income below the poverty level was 36.4%. The percentage of children below the poverty level was 36.7% in 2009. The percentage of the population aged 65 and over was 18% in Aroostook County. The unemployment rate in Aroostook County was 9.3% in 2011, which was higher than the State's rate of 7.8%. Of the individuals 25 years or older in Aroostook County, 23% do not have a high school diploma compared to 15% overall in the State.

Northern Maine Medical Center utilizes an electronic medical record system and its related physician practices abstract data for reporting to the ACO they are now a part of, which provides a vast amount of data relative to patients in care. The needs assessment provides a much broader picture of the community as a whole, including the health status of individuals not in care, as well as functional 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 integrated into the process so that their data relative to health, environmental and social measures are part of the community dissemination process.

Northern Maine Medical Center engaged multiple health resource leaders in the community forum invitation list. Additional resources and leaders needed were identified in the breakout sessions. In the Fort Kent service area, key collaborators going forward will include: Northern Maine Medical Center and its owned physician practices, Cary Medical Center, The Aroostook Medical Center, Fish River Rural Health Center, local schools, Aroostook Home Health Services/Valley Home Health Services, Aroostook

Part VI Supplemental Information

Mental Health Center, UMFK, and Twin Rivers.

EMHS, the primary tertiary center utilized by Northern Maine Medical Center, routinely conducts a community health needs assessment (hereafter referred to simply as "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.

Northern Maine Medical Center:

Part V, Section B, Line 3: 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 include: 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)

Part VI Supplemental Information

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; and, Ted Trainer, Public Health Coordinating Council Shawn Yardley, City of Bangor, Department of Health and Welfare.

Northern Maine Medical Center:

Part V, Section B, Line 4: 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 collaborators were involved in the dissemination of the assessment findings and establishment of priorities.

Northern Maine Medical Center:

Part V, Section B, Line 5c: In conjunction with EMHS, Northern Maine Medical Center co-hosted a community forum with The Aroostook Medical Center and Cary Medical Center 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

Part VI Supplemental Information

term care leaders, social service agencies, leaders of the tribal communities, business leaders, legislative leaders, and 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) was 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 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.

Northern Maine Medical Center:

Part V, Section B, Line 6i: Northern Maine Medical Center made progress on the following initiatives that were undertaken to meet the prioritized needs identified by the community needs assessment:

Part VI Supplemental Information

-NMMC continues its consideration of a workplace wellness program. There were issues with the way the baseline health assessment was initially made available by a third-party, which in turn resulted in questionable results. NMMC is contemplating other means of obtaining reliable baseline results. NMMC will be able to use the overall results to develop a wellness program appropriate to the needs of its employees.

-NMMC has obtained certification of its diabetes education program and continues to make strides in rebuilding its diabetes education programs and support group. We have introduced new monitoring technology to some of our patients. We are evaluating referral sources since our volumes seem low compared to the demand documented in the Community Health Needs Assessment.

-NMMC has implemented an electronic medical record in its physician practices. The software has the ability to generate reports to better monitor patients with chronic conditions and the completion/status of recommended treatment plans. The staff have recently received training on how to generate those reports and is starting to use them to improve management of these patients with chronic conditions. In addition, the hospital has entered into an Accountable Care Strategic Contractor Agreement whereby the ACO has entered into a contract with a payor to perform population health management services for covered lives some of which receive services at NMMC. NMMC is working to address care gaps identified in the ACO reports.

-NMMC has collaborated with other local hospitals and providers to ensure the necessary specialty services are available. The following specialty services were obtained through agreements with other hospitals either on an interim basis or on-going: Anesthesia Director Services, Sleep Medicine professional and technical services, oncologist coverage, neurologist

Part VI Supplemental Information

services, and radiologist services. NMMC continues to look for opportunities to work with other hospitals to provide specialty services in our community.

-NMMC continues to make other health care providers aware of the mental health services it offers on both an inpatient and outpatient basis. Additional mid-level providers were recruited to allow NMMC to expand access to outpatient mental health services.

-NMMC has signed a contract with Health Info Net, Maine's Health Information Exchange to improve quality and effectiveness through better information exchange. At this time, NMMC and Health Info Net continue working on integration between NMMC's information system and Health Info Net. NMMC also has entered into an agreement with the closest tertiary facility, EMMC, for certain access to their PowerChart, which can benefit the transition of care from the tertiary back to the local, primary care providers.

Northern Maine Medical Center:

Part V, Section B, Line 7: Northern Maine Medical Center was unable to address all needs identified due to limited staff and financial resources. Certain needs, such as increased insurance coverage and improved Medicaid reimbursement for dental services, have not been addressed since NMMC can only be a portion of the solution; other entities will need to be involved to address all of the needs. NMMC continues to evaluate the feasibility of rebuilding its patient education component, so certain needs, such as community level prevention programs and primary care and ED education tools can be addressed once the education framework is in place again.

Part VI Supplemental Information

Northern Maine Medical Center:

Part V, Section B, Line 20d: Individuals are billed at gross amounts and charges are adjusted accordingly, if they qualify for assistance.

Northern Maine Medical Center:

Part V, Section B, Line 22: Individuals are billed at gross amounts and charges are adjusted accordingly, if they qualify for assistance.

Part VI, Line 2: Please see Schedule H, Part v, Section B, Line 1 for a description of NMMC's assessment process.

Part VI, Line 3: We notify patients and customers about access to assistance in various ways. The simplest way is the signage, pamphlets, and educational material located around the Organization and in various offices. In every patient access/patient financial services area is a sign explaining the availability of free/discounted care and the Federal Poverty Guidelines. There are also pamphlets located in the outpatient areas explaining free/discounted care and providing information on Mainecare. For inpatients, there is a book in each room which provides all the information on all programs available.

Through the patient accounting department, we provide information about these statements. We also counsel patients on the phone about all the programs available whether it is Medicaid or a hospital program.

Part VI Supplemental Information

Part VI, Line 4: Northern Maine Medical Center is a 94 licensed bed (29 A&P beds, 6 ICU beds, 14 Psych beds, and 45 SNF beds), full-service, acute-care, not-for profit hospital located in Fort Kent, Maine (Aroostook County). The Hospital is accredited by the joint commission and its mission is to serve its communities with excellence in health care. Its services include acute inpatient, psych inpatient, SNF, 24-hour emergency center, diagnostic, and surgical services. Along with these hospital services, the Hospital employs/contracts with the majority of primary and specialty care physicians in the area.

Part VI, Line 5: Northern Maine Medical Center is a local, not-for-profit hospital that serves its local communities and people regardless of their ability to pay. Northern Maine provides financial assistance and sliding scale discounts to self-pay and low-income patients. Also the Hospital participates in government-sponsored health care programs including Medicare, Medicaid, CHAMPUS, and Tricare. The volunteer board of trustees sets the strategic direction for the Hospital and is comprised of community members from the Hospital's service area. This group is made up of local business owners, professionals, and retirees. Northern Maine's non-profit status allows the Hospital to reinvest any excess of revenues over expense back into the Hospital to continuously improve the medical care it delivers. The Hospital allows access to healthcare that would otherwise be difficult. The Hospital is the main employer for the local physicians, including specialty physicians that would otherwise have to be accessed out of the area.

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2012

Open to Public Inspection

Name of the organization

Northern Maine Medical Center

Employer identification number

01-0234189

Part I Questions Regarding Compensation

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

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

Schedule J (Form 990) 2012

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

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

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

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) Guy Raymond, M.D. Past Director	(i)	357,180.	0.	17,000.	6,219.	21,034.	401,433.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(2) Michael Sullivan, M.D. Director	(i)	458,269.	0.	3,514.	3,700.	21,701.	487,184.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(3) Peter J. Sirois CEO	(i)	178,203.	0.	712.	3,287.	22,547.	204,749.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(4) Cindy L. Daigle CFO	(i)	133,328.	0.	0.	0.	20,412.	153,740.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(5) David Jones ER Physician	(i)	323,892.	0.	16,670.	5,727.	13,132.	359,421.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(6) Eve Wolinsky Psychiatrist	(i)	185,360.	5,000.	16,863.	0.	9,246.	216,469.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(7) Mark Overton Psychiatrist	(i)	181,859.	0.	0.	0.	19,702.	201,561.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(8) William Rand Orthopedic Surgeon	(i)	126,722.	50,000.	0.	0.	3,472.	180,194.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

Part III Supplemental Information

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

Part I, Line 8: Eve Wolinsky & William Rand each received a sign-on bonus pursuant to their respective employment contracts.

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
Daigle Oil Company	Entity of which Dan	384,705.	Independent		X
Nola Sirois	Family member of Pe	25,605.	Employment		X
Michelle L. Plourde	Family member of Pe	62,254.	Employment		X
Nicole Marquis	Family member of Pe	38,094.	Employment		X
Robin Werntgen	Family member of Gl	55,989.	Employment		X

Part V Supplemental Information

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

Schedule L, Part II, Loans To and From Interested Persons:

(a) Name of Person: Mark Overton

(c) Purpose of Loan: Purchase of home

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

(a) Name of Person: Daigle Oil Company

(b) Relationship Between Interested Person and Organization:

Entity of which Dan Vaillancourt, Board President, is an officer

(d) Description of Transaction: Independent Contractor Arrangement

(a) Name of Person: Nola Sirois

(b) Relationship Between Interested Person and Organization:

Family member of Peter Sirois, Hospital CEO

(a) Name of Person: Michelle L. Plourde

(b) Relationship Between Interested Person and Organization:

Family member of Peter Sirois, Hospital CEO

(a) Name of Person: Nicole Marquis

(b) Relationship Between Interested Person and Organization:

Part V Supplemental Information

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

Family member of Peter Sirois, Hospital CEO

(a) Name of Person: Robin Werntgen

(b) Relationship Between Interested Person and Organization:

Family member of Glenn Lamarr, Board Treasurer

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No. 1545-0047

2012

Open to Public
Inspection

Name of the organization

Northern Maine Medical Center

Employer identification number

01-0234189

Form 990, Part I, Lines 8-18:

Prior Years numbers have been restated to present revenue net of bad
debt expense.

Form 990, Part VI, Section A, line 2: Peter Sirois and Glenn Lamarr have
a family relationship.

Form 990, Part VI, Section B, line 11: The Form 990 is prepared by the
Organization's independent public accounting firm and thoroughly reviewed
by the CFO and Controller. The completed form was sent electronically to
Board members prior to the form being filed.

Form 990, Part VI, Section B, Line 12c: The enforcement of the conflict of
interest policy is achieved through annual reporting and ongoing
monitoring.

Form 990, Part VI, Section B, Line 15: The Board of Directors determines
the compensation of the CEO using compensation studies and comparability
data. The CEO determines the compensation of other officers and key
employees in a similar manner.

Form 990, Part VI, Section C, Line 19: The Organization makes its
governing documents, conflict of interest policy, and financial statements
available to the public upon request.

Name of the organization Northern Maine Medical Center	Employer identification number 01-0234189
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Form 990, Part VII, Section A:

Guy Raymond & Michael Sullivan show reportable compensation on Form 990, Part VII, Section A for services performed in their capacity as employees of Northern Maine Medical Center. Their compensation does not reflect payment for services as a board members of the Hospital or any related organization.

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.

Name of the organization **Northern Maine Medical Center** Employer identification number **01-0234189**

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
Valley Medical Association - 22-3245434 194 East Maine Street Fort Kent, ME 04743	Medical Physician Practice	Maine	501(c)(3)	Line 3	Northern Maine Medical Center	X	

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

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

1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

	Yes	No
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 Dividends from related organization(s)		X
g Sale of assets to related organization(s)		X
h Purchase of assets from related organization(s)		X
i Exchange of assets with related organization(s)		X
j Lease of facilities, equipment, or other assets to related organization(s)		X
k Lease of facilities, equipment, or other assets from related organization(s)		X
l Performance of services or membership or fundraising solicitations for related organization(s)		X
m Performance of services or membership or fundraising solicitations by related organization(s)		X
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)		X
o Sharing of paid employees with related organization(s)	X	
p Reimbursement paid to related organization(s) for expenses		X
q Reimbursement paid by related organization(s) for expenses		X
r Other transfer of cash or property to related organization(s)	X	
s 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-s)	(c) Amount involved	(d) Method of determining amount involved
(1) Valley Medical Association	R	1,956,056.	Actual Outlay
(2)			
(3)			
(4)			
(5)			
(6)			

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

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

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

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

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

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

Type or print	Name of exempt organization or other filer, see instructions. Northern Maine Medical Center	Employer identification number (EIN) or 01-0234189
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions. 194 East Main Street	Social security number (SSN)
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. Fort Kent, ME 04743	

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 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

Cindy Daigle

- The books are in the care of ▶ **194 East Main Street - Fort Kent, ME 04743**
 Telephone No. ▶ **(207) 834-3155** FAX No. ▶ _____
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension is for.

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until **May 15, 2014**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
 ▶ calendar year _____ or
 ▶ tax year beginning **OCT 1, 2012**, and ending **SEP 30, 2013**.

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.

• If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** and check this box **X**

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

• If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** (on page 1).

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	Name of exempt organization or other filer, see instructions	Employer identification number (EIN) or
	Northern Maine Medical Center	01-0234189
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions.	Social security number (SSN)
	194 East Main Street	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions.	
	Fort Kent, ME 04743	

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 or Form 990-EZ	01		
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

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

Cindy Daigle

• The books are in the care of 194 East Main Street - Fort Kent, ME 04743
 Telephone No. (207) 834-3155 FAX No.

• If the organization does not have an office or place of business in the United States, check this box
 • If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension is for.

4 I request an additional 3-month extension of time until August 15, 2014.

5 For calendar year _____, or other tax year beginning OCT 1, 2012, and ending SEP 30, 2013.

6 If the tax year entered in line 5 is for less than 12 months, check reason: Initial return Final return
 Change in accounting period

7 State in detail why you need the extension
Information from third parties has not yet been received. Therefore, additional time is necessary to file a complete and accurate 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	\$	0.
8b 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	\$	0.
8c 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	\$	0.

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 Barbara McBryan Title CPA Date 05/08/2014



NORTHERN MAINE MEDICAL CENTER AND SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2013 and 2012

With Independent Auditor's Report





INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Northern Maine Medical Center and Subsidiary

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Northern Maine Medical Center and Subsidiary, which comprise the consolidated balance sheets as of September 30, 2013 and 2012, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Northern Maine Medical Center and Subsidiary as of September 30, 2013 and 2012, and the consolidated results of their operations, changes in their net assets, and their cash flows for the years then ended, in accordance with U.S. generally accepted accounting principles.

Berry Dunn McNeil & Parker, LLC

Portland, Maine
January 28, 2014

NORTHERN MAINE MEDICAL CENTER AND SUBSIDIARY

Consolidated Balance Sheets

September 30, 2013 and 2012

ASSETS

	<u>2013</u>	<u>2012</u>
Current assets		
Cash and cash equivalents	\$ 10,736,559	\$ 5,218,569
Accounts receivable, less allowance for doubtful accounts of approximately \$2,485,000 in 2013 and \$2,393,000 in 2012	5,684,117	5,928,098
Meaningful use receivables	636,607	1,160,430
Estimated third-party payor settlements	2,615,084	5,796,337
Notes and other amounts due from related parties, current portion	23,819	15,967
Supplies	716,381	785,292
Prepaid expenses and other current assets	<u>2,061,536</u>	<u>293,417</u>
Total current assets	<u>22,474,103</u>	<u>19,198,110</u>
Assets limited as to use or donor-restricted		
By debt agreements		
Mortgage reserve fund cash and cash equivalents	357,169	336,917
By donors or grantors for specific purposes		
Cancer, cardiac, diabetes and wellness	375,432	388,007
Internally designated foundation funds	<u>699,890</u>	<u>680,256</u>
Total assets limited as to use or donor-restricted	<u>1,432,491</u>	<u>1,405,180</u>
Other assets		
Notes and other amounts due from related parties, less current portion (net of allowance of approximately \$102,000 in 2013 and 2012)	69,133	51,618
Deferred financing costs, net	515,861	226,141
Cash surrender value of life insurance	227,164	190,196
Other assets	2,655,906	1,991,796
Estimated third-party payor settlements	<u>-</u>	<u>1,761,558</u>
Total other assets	<u>3,468,064</u>	<u>4,221,309</u>
Property and equipment, net	<u>19,241,023</u>	<u>16,681,782</u>
Total assets	<u>\$ 46,615,681</u>	<u>\$ 41,506,381</u>

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

LIABILITIES AND NET ASSETS

	<u>2013</u>	<u>2012</u>
Current liabilities		
Accounts payable and accrued expenses	\$ 4,072,448	\$ 3,158,390
Payroll and related liabilities	2,772,917	2,812,164
Estimated third-party payor settlements	5,471,429	2,873,702
Current portion of long-term debt	<u>685,141</u>	<u>689,827</u>
Total current liabilities	13,001,935	9,534,083
Long-term debt, less current portion	7,880,805	7,835,454
Deferred compensation	<u>682,904</u>	<u>617,833</u>
Total liabilities	<u>21,565,644</u>	<u>17,987,370</u>
Commitments and contingencies (Notes 3, 9, 10 and 12)		
Net assets		
Unrestricted	24,674,605	23,131,004
Temporarily restricted	<u>375,432</u>	<u>388,007</u>
Total net assets	<u>25,050,037</u>	<u>23,519,011</u>
Total liabilities and net assets	\$ <u>46,615,681</u>	\$ <u>41,506,381</u>

NORTHERN MAINE MEDICAL CENTER AND SUBSIDIARY

Consolidated Statements of Operations

Years Ended September 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Unrestricted revenues and other support		
Gross patient service revenue	\$ 71,911,300	\$ 72,463,495
Contractual adjustments	(26,483,871)	(26,402,735)
Charity care	(927,844)	(738,697)
MaineCare Rural Health Center settlement	<u>-</u>	<u>5,000,000</u>
Total adjustments	<u>(27,411,715)</u>	<u>(22,141,432)</u>
Patient service revenue (net of contractual allowances and discounts)	44,499,585	50,322,063
Provision for doubtful accounts	<u>(1,354,273)</u>	<u>(1,068,745)</u>
Net patient service revenue	<u>43,145,312</u>	<u>49,253,318</u>
Other revenue	168,541	582,160
Meaningful use revenues	1,048,878	1,503,185
Net assets released from restrictions used for operations	<u>110,352</u>	<u>116,295</u>
Total unrestricted revenues and other support	<u>44,473,083</u>	<u>51,454,958</u>
Operating expenses		
Salaries, wages and contract services	24,286,782	24,103,145
Payroll taxes	1,435,516	1,136,939
Employee benefits	2,423,828	2,614,819
Legal, audit and consulting	533,002	841,101
Supplies and other operating expenses	12,104,803	11,407,785
Healthcare provider taxes	1,166,861	1,118,556
Depreciation and amortization	2,134,192	2,181,452
Interest	<u>314,021</u>	<u>424,862</u>
Total operating expenses	<u>44,399,005</u>	<u>43,828,659</u>
Income from operations	74,078	7,626,299
Nonoperating gains:		
Equity in net income of insurance captive	759,038	536,501
Other nonoperating income, net	<u>710,485</u>	<u>397,390</u>
Nonoperating gains	<u>1,469,523</u>	<u>933,891</u>
Excess of revenues, gains, and other support over expenses and nonoperating gains	<u>\$ 1,543,601</u>	<u>\$ 8,560,190</u>

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

NORTHERN MAINE MEDICAL CENTER AND SUBSIDIARY

Consolidated Statements of Changes in Net Assets

Years Ended September 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Unrestricted net assets		
Excess of revenues, gains, and other support over expenses and nonoperating gains	<u>\$ 1,543,601</u>	<u>\$ 8,560,190</u>
Increase in unrestricted net assets	<u>1,543,601</u>	<u>8,560,190</u>
Temporarily restricted net assets		
Restricted contributions	86,490	111,719
Restricted investment income	1,005	1,924
Net assets released from restrictions used for operations	(110,352)	(116,295)
Change in net unrealized gains on investments	<u>10,282</u>	<u>6,282</u>
(Decrease) increase in temporarily restricted net assets	<u>(12,575)</u>	<u>3,630</u>
Increase in net assets	1,531,026	8,563,820
Net assets, beginning of year	<u>23,519,011</u>	<u>14,955,191</u>
Net assets, end of year	<u>\$25,050,037</u>	<u>\$23,519,011</u>

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

NORTHERN MAINE MEDICAL CENTER AND SUBSIDIARY

Consolidated Statements of Cash Flows

Years Ended September 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities		
Increase in net assets	\$ 1,531,026	\$ 8,563,820
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation and amortization	2,134,192	2,181,452
Equity in insurance captive	(759,038)	(536,501)
Loss on disposals and sales of property, plant and equipment	394,010	127,862
Change in unrealized gains on investments	(10,282)	(6,282)
Restricted contributions and investment income	(87,495)	(113,643)
Provision for doubtful accounts	1,354,273	1,068,745
Change in:		
Accounts receivable	(1,110,292)	(1,447,045)
Meaningful use receivables	523,823	346,113
Estimated third-party payor settlements	7,540,538	(6,122,076)
Supplies, prepaid expenses and other assets	(1,762,096)	84,792
Accounts payable and other operating liabilities	<u>874,811</u>	<u>1,568,330</u>
Net cash provided by operating activities	<u>10,623,470</u>	<u>5,715,567</u>
 Cash flows from investing activities		
Purchases of property and equipment	(5,636,533)	(3,230,816)
Proceeds from sale of property and equipment	562,000	-
Distribution from insurance captive	185,919	125,943
Increase in cash and cash equivalents of mortgage reserve funds	(20,252)	(20,252)
Increase in internally designated foundation funds	(19,634)	(26,406)
Decrease in donor-restricted assets	22,857	2,652
Increase in notes and other amounts due from related parties	<u>(25,367)</u>	<u>(42,294)</u>
Net cash used by investing activities	<u>(4,931,010)</u>	<u>(3,191,173)</u>
 Cash flows from financing activities		
Proceeds from issuance of long-term debt	7,449,457	5,756,992
Repayment of long-term debt	(7,408,792)	(5,124,210)
Increase in long-term debt issuance costs, net	(302,630)	(228,407)
Restricted contributions and investment income	<u>87,495</u>	<u>113,643</u>
Net cash (used) provided by financing activities	<u>(174,470)</u>	<u>518,018</u>
 Increase in cash and cash equivalents	5,517,990	3,042,412
 Cash and cash equivalents at beginning of year	<u>5,218,569</u>	<u>2,176,157</u>
 Cash and cash equivalents at end of year	\$ <u>10,736,559</u>	\$ <u>5,218,569</u>
 Supplemental disclosure of noncash investing and financing activities		
Interest paid	\$ <u>314,021</u>	\$ <u>424,862</u>

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

NORTHERN MAINE MEDICAL CENTER AND SUBSIDIARY

Notes to Consolidated Financial Statements

September 30, 2013 and 2012

1. Description of Organization and Summary of Significant Accounting Policies

Organization

Northern Maine Medical Center and Subsidiary (the Medical Center) is a not-for-profit entity consisting of a 49-bed licensed acute care institution and a 45-bed licensed long-term care institution located in Fort Kent, Maine. Valley Medical Association (VMA), a wholly-owned subsidiary of the Medical Center, is a not-for-profit physician practice established to serve the surrounding communities. The Medical Center and VMA are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

Principles of Consolidation

The consolidated financial statements include the accounts of the Medical Center and its subsidiary, VMA. Upon consolidation, all significant intercompany accounts and transactions are eliminated.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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 allowance for doubtful accounts, estimated third-party payor settlements, estimated health benefit obligations, and malpractice coverage.

Cash and Cash Equivalents

The Medical Center considers all highly liquid savings deposits, money market funds and certificates of deposit with maturities of three months or less when purchased to be cash equivalents, excluding assets limited as to use.

Accounts Receivable

At September 30, 2013 and 2012, significant concentrations of gross patient accounts receivable included 50% and 51%, respectively, due from government-related programs (Medicare and MaineCare).

NORTHERN MAINE MEDICAL CENTER AND SUBSIDIARY

Notes to Consolidated Financial Statements

September 30, 2013 and 2012

In evaluating the collectibility of accounts receivable, the Medical Center analyzes past results and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for doubtful accounts. Management regularly reviews data about these major payor sources in evaluating the sufficiency of the allowance for doubtful accounts. For receivables associated with services provided to patients who have third-party coverage, the Medical Center analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for doubtful accounts, if necessary. For receivables associated with self-pay patients (which include both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Medical Center records a provision for doubtful accounts in the period of service based on past experience, which indicates that many patients are unable or unwilling to pay amounts for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated or eligible) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged against the allowance for doubtful accounts.

During 2013, the Medical Center increased its estimate from \$2,392,860 to \$2,484,817 in the allowance for doubtful accounts relating to self-pay patients, and self-pay write-offs increased from \$1,060,542 to \$1,549,250. Such increases resulted from trends experienced in the collection of amounts from self-pay patients.

Supplies

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

Investments

Investments are measured at fair value in the consolidated balance sheets. Net appreciation or depreciation on investments is measured based on fair values. Investment income (including interest and dividends) and net realized and unrealized gains (losses) on investments, net of related expenses, are included in other nonoperating income. On a periodic basis, the Medical Center evaluates its investments to determine if declines in market value below cost are other than temporary. If such declines are determined to be other than temporary, an impairment charge is recognized and included in the excess of revenues, gains, and other support over expenses and nonoperating gains.

Assets Limited as to Use or Donor-Restricted

In connection with its mortgage notes payable to the U.S. Department of Agriculture/Rural Development (RD), the Medical Center is required to establish certain reserve funds.

Gifts, grants and bequests that are restricted by donors for specific operating purposes are accounted for in temporarily restricted net assets until expenditures are made for the purpose specified by the donors.

NORTHERN MAINE MEDICAL CENTER AND SUBSIDIARY

Notes to Consolidated Financial Statements

September 30, 2013 and 2012

The foundation that serves as the fundraising arm of the Medical Center by way of securing, managing and distributing charitable gifts in support of the Medical Center's mission. All gifts and related income earned on these funds are designated for use in a manner to benefit residents and visitors who depend on quality health care. Donations, gifts and income earned on foundation funds are recorded in other income on the consolidated statements of operations.

Excess of Revenues, Gains, and Other Support Over Expenses and Nonoperating Gains

The consolidated statements of operations include excess of revenues, gains, and other support over expenses and nonoperating gains. Changes in unrestricted net assets which are excluded from this measure, consistent with industry practice, include the acquisition of long-lived assets using donor-restricted contributions.

Net Patient Service Revenue

The Medical Center has agreements with third-party payors that provide for payments at amounts different from established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges and per diem payments. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are performed 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.

Laws and regulations governing the Medicare and MaineCare programs are complex and subject to interpretation. The Medical Center 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 wrongdoing. While no such regulatory inquiries have been made, 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.

Property and Equipment

Property and equipment is stated at cost. The Medical Center's policy is to capitalize expenditures for major improvements and charge maintenance and repairs currently for expenditures which do not extend the life of the related assets. Provisions for depreciation are determined principally by the straight-line method at rates which are intended to amortize the cost of assets over their estimated useful lives.

NORTHERN MAINE MEDICAL CENTER AND SUBSIDIARY

Notes to Consolidated Financial Statements

September 30, 2013 and 2012

Deferred Financing Costs

Deferred financing costs represent the costs incurred in obtaining financing for various construction projects that the Medical Center is currently undertaking, and the costs incurred to refinance a mortgage. These costs are being amortized on a straight-line basis over the terms of the respective debt obligations.

Charity Care

The Medical Center accepts all patients regardless of their ability to pay. A patient is classified as a charity care patient by reference to certain established policies of the Medical Center. Essentially, these policies define free services as those services for which no payment is anticipated. In assessing a patient's inability to pay, the Medical Center utilizes generally recognized poverty income levels, but also includes certain cases where incurred charges are significant when compared to income. Charity care provided is not included in net patient service revenue.

Accrued Earned Time

The Medical Center has an earned time policy whereby employees are vested in earned vacation, holiday and sick pay. All pay for earned time is computed at the employee's current base pay (excluding overtime, shift and other premiums), and is accrued as earned. Accrued earned time is included in payroll and related liabilities on the consolidated balance sheets.

Income Taxes

The Medical Center and VMA are not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code (the Code), and are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. Management evaluated the Medical Center's tax positions and concluded the Medical Center has maintained its tax-exempt status, does not have any significant unrelated business income and has taken no uncertain tax positions that require adjustment or disclosure in the consolidated financial statements.

Recent Accounting Pronouncement

In July 2011, FASB issued ASU 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*," which requires reclassifying the provision for bad debts associated with patient service revenue from an operating expense to a deduction from patient service revenue. It also requires enhanced disclosure about the policies for recognizing revenue and assessing bad debts, disclosures of patient service revenue, as well as qualitative and quantitative information about changes in the allowance for doubtful accounts. The provisions of ASU 2011-07 were effective for the Medical Center beginning October 1, 2012 and have been incorporated into the September 30, 2013 consolidated financial statements.

NORTHERN MAINE MEDICAL CENTER AND SUBSIDIARY

Notes to Consolidated Financial Statements

September 30, 2013 and 2012

Reclassifications

Certain amounts in the 2012 consolidated financial statements and notes thereto have been reclassified to conform to the 2013 presentation.

2. Investments and Assets Limited as to Use

The composition of assets limited as to use or donor-restricted at September 30, 2013 and 2012 is set forth in the following table. The balances are stated at fair value.

	<u>2013</u>	<u>2012</u>
Cash and cash equivalents	\$ 1,018,562	\$ 1,054,247
Certificates of deposit	364,413	311,698
Marketable equity securities	7,239	4,918
Mutual funds	<u>42,277</u>	<u>34,317</u>
	<u>\$ 1,432,491</u>	<u>\$ 1,405,180</u>

Investment income and gains consisted of the following for the years ended September 30, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Interest and dividends	\$14,207	\$13,679
Change in unrealized gains on investments	10,282	6,282

Unrealized losses on individual investments were immaterial at September 30, 2013 and 2012.

Fair Value Measurements

Fair value of a financial instrument is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Medical Center uses various methods including market, income and cost approaches. Based on these approaches, the Medical Center often utilizes certain assumptions that market participants would use in pricing the asset, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Medical Center utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Medical Center is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets carried at fair value will be classified and disclosed in one of the following three categories:

Level 1 - Valuations for assets 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.

NORTHERN MAINE MEDICAL CENTER AND SUBSIDIARY

Notes to Consolidated Financial Statements

September 30, 2013 and 2012

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

Level 3 - Valuations for assets 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.

For the fiscal years ended September 30, 2013 and 2012, the application of valuation techniques applied to similar assets has been consistent. The following is a description of the valuation methodologies for instruments measured at fair value:

Cash and cash equivalents, certificates of deposit, marketable equity securities and mutual funds are based upon quoted prices in active markets for identical assets and are reflected as Level 1.

Annuities are valued at deposits made to contracts plus earnings at guaranteed crediting rates, less withdrawals and fees, which approximates fair value.

The following table presents the balances of assets measured at fair value at September 30, 2013 and 2012 on a recurring basis:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>2013</u>				
Cash and cash equivalents	\$ 1,018,562	\$ -	\$ -	\$ 1,018,562
Certificates of deposit	364,413	-	-	364,413
Marketable equity securities	7,239	-	-	7,239
Mutual funds	42,277	-	-	42,277
Investments to fund deferred compensation:				
Equity mutual funds	326,207	-	-	326,207
Fixed income mutual funds	169,962	-	-	169,962
Annuities	-	186,735	-	186,735
Total assets	<u>\$ 1,928,660</u>	<u>\$ 186,735</u>	<u>\$ -</u>	<u>\$ 2,115,395</u>
<u>2012</u>				
Cash and cash equivalents	\$ 1,054,247	\$ -	\$ -	\$ 1,054,247
Certificates of deposit	311,698	-	-	311,698
Marketable equity securities	4,918	-	-	4,918
Mutual funds	34,317	-	-	34,317
Investments to fund deferred compensation:				
Equity mutual funds	323,618	-	-	323,618
Fixed income mutual funds	124,777	-	-	124,777
Annuities	-	169,438	-	169,438
Total assets	<u>\$ 1,853,575</u>	<u>\$ 169,438</u>	<u>\$ -</u>	<u>\$ 2,023,013</u>

NORTHERN MAINE MEDICAL CENTER AND SUBSIDIARY

Notes to Consolidated Financial Statements

September 30, 2013 and 2012

3. Property and Equipment

A summary of property and equipment follows:

	<u>2013</u>	<u>2012</u>
Land and land improvements	\$ 1,218,147	\$ 986,603
Buildings	20,848,029	18,037,193
Equipment	18,765,152	16,363,618
Leasehold improvements	<u>1,065,483</u>	<u>1,769,734</u>
	41,896,811	37,157,148
Less accumulated depreciation and amortization	<u>(24,486,596)</u>	<u>(23,711,081)</u>
	17,410,215	13,446,067
Construction in progress	<u>1,830,808</u>	<u>3,235,715</u>
Property and equipment, net	<u>\$ 19,241,023</u>	<u>\$ 16,681,782</u>

During 2013, the Medical Center began construction on an MRI expansion and upgrade project totaling approximately \$1.23 million and had approximately that amount of costs in construction in progress related to this project. The project was completed in early 2014. During 2012, the Medical Center began construction on a "Biomass Heat Plant Conversion and Capital Plant Improvement" project totaling approximately \$3.5 million. At September 30, 2012, the Medical Center had approximately \$2.6 million of costs in construction in progress related to this project. The project was completed in 2013. The remaining balances in construction in progress at September 30, 2013 and 2012 consist of numerous ongoing projects.

4. Long-Term Debt

A summary of long-term debt follows:

	<u>2013</u>	<u>2012</u>
4.5% loan payable to RD, due in monthly installments of \$14,519, including principal and interest through March 2021; secured by buildings and all corporate assets.	\$ 498,079	\$ 646,267
4.125% mortgage notes payable to RD, due in monthly installments of \$4,904, including principal and interest through March 2028; secured by buildings and all corporate assets.	637,444	671,932
5% mortgage note payable to RD, due in monthly installments of \$2,410, including principal and interest through September 2015; secured by buildings and all corporate assets. Paid in 2013.	-	81,502
4.25% loan payable to RD, due in monthly installments of \$6,820, including principal and interest through December 2025; secured by buildings and all corporate assets.	774,503	826,256

NORTHERN MAINE MEDICAL CENTER AND SUBSIDIARY

Notes to Consolidated Financial Statements

September 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
4.25% loan payable to RD, due in monthly installments of \$614, including principal and interest through April 2024; secured by building and all corporate assets.	62,450	67,078
4.375% loan payable to RD, due in monthly installments of \$2,504, including principal and interest through April 2024; secured by building and all corporate assets.	253,976	272,558
4.375% loan payable to RD, due in monthly installments of \$2,035, including principal and interest through April 2024; secured by building and all corporate assets.	206,200	221,265
5.75% loan payable to a bank, due in monthly installments of \$1,175, including principal and interest through May 2025; secured by real estate. Paid in 2013.	-	33,781
Variable rate (4.75% at September 30, 2013) loan payable to a bank, monthly interest only payments through June 2013 with a balloon payment due July 2013; secured by substantially all corporate assets. Refinanced in 2013.	-	1,341,681
4.88% loan payable to a bank, due in monthly installments of \$70,176, including principal and interest through June 2013 with a balloon payment of \$3,847,577 due July 2013; secured by substantially all corporate assets. Refinanced in 2013.	-	4,311,850
4.375% loan payable to a bank, due in monthly installments of \$44,000, including principal and interest, through June 2023 changing to \$28,461 until maturity due June 2033; secured by substantially all corporate assets.	5,960,506	-
Capitalized lease obligations	<u>172,788</u>	<u>51,111</u>
	8,565,946	8,525,281
Less current portion	<u>(685,141)</u>	<u>(689,827)</u>
	<u>\$ 7,880,805</u>	<u>\$ 7,835,454</u>

The RD loan agreements place restrictions on additional long-term financing and expansion of facilities. Also, as a condition of the loan agreements, the Board of Trustees has agreed to establish, over a period of time, reserve funds totaling approximately \$410,000. The Medical Center had established \$357,169 and \$336,917 in reserve funds at September 30, 2013 and 2012, respectively. These reserve funds can be utilized for repairs and replacements necessitated by catastrophe, extensions or improvements made with written governmental approval, as well as debt service payments should the net revenue (as defined) of the Medical Center be insufficient to

NORTHERN MAINE MEDICAL CENTER AND SUBSIDIARY

Notes to Consolidated Financial Statements

September 30, 2013 and 2012

otherwise service the debt. The construction and RD loan agreements are collateralized by substantially all assets and assignment of income.

In June 2013, the Medical Center entered into a new loan agreement with a bank to refinance the Medical Center's two loans established during 2012 with the same bank. The refinanced loan amount is 80% guaranteed by RD and carries a fixed interest rate of 4.375% which was the secondary market RD rate 30 days prior to closing plus 1% per annum as defined in the agreement. The Medical Center was required to pay a one-time guaranty fee to RD in the amount of \$48,203. This fee is being amortized over the term of the loan agreement.

Certain bank loans require the Medical Center to comply with restrictive financial covenants, including, but not limited to, debt service coverage. As of September 30, 2013, the Medical Center was in compliance with all covenants.

The Medical Center leases certain equipment under leases which have been capitalized and are included in property and equipment. Assets recorded under capital leases total \$1,762,202 at September 30, 2013 with accumulated amortization of \$1,502,706. Amortization of the capital leases was \$34,364 and \$16,944, respectively, in 2013 and 2012, and has been included with depreciation and amortization expense in the consolidated statements of operations. The capital leases have been recorded as long-term obligations. Future minimum lease payments in the aggregate under capital lease obligations at September 30, 2013, are as follows:

Total remaining payments	\$ 176,602
Less amounts representing interest	<u>(3,814)</u>
Capital lease obligation	172,788
Less current portion of capital lease obligations	<u>(138,574)</u>
Long-term obligations under capital leases	<u>\$ 34,214</u>

The Medical Center has available a secured \$500,000 working capital line of credit with a local Bank, with an interest rate equivalent to the Wall Street Journal prime rate plus 1%, subject to a floor of 4.25%. The line of credit expires July 19, 2014. There was no balance outstanding under the line at September 30, 2013 or 2012.

Scheduled principal repayments on long-term debt including capital lease obligations are as follows:

2014 (included in current liabilities)	\$ 685,141
2015	596,025
2016	605,642
2017	457,892
2018	466,378
Thereafter	<u>5,754,868</u>
	<u>\$ 8,565,946</u>

NORTHERN MAINE MEDICAL CENTER AND SUBSIDIARY

Notes to Consolidated Financial Statements

September 30, 2013 and 2012

5. Deferred Compensation

The Medical Center permits certain management and highly compensated employees to defer portions of their compensation based on Internal Revenue Service guidelines. The Medical Center has recorded \$682,904 and \$617,833 at September 30, 2013 and 2012, respectively, to reflect its liability under this plan. The Medical Center has established a Rabbi Trust to finance obligations under the plan. The trust balance of \$682,904 and \$617,833 is included in other assets at September 30, 2013 and 2012, respectively. All trust earnings are allocated to plan participants.

6. Net Patient Service Revenue

The Medical Center 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 and outpatient acute care services rendered to Medicare program beneficiaries are paid at prospectively determined rates. These rates vary according to a patient classification system that is based primarily on diagnosis and clinical factors. The Medical Center's final reimbursement is determined after submission of annual cost reports and audits thereof by the Medicare fiscal intermediary. Final settlements have been determined for all years through 2008 except for 2005.

MaineCare

MaineCare is a medical assistance program offered by the State of Maine Department of Human Services (DHHS). Inpatient and outpatient services rendered to MaineCare program beneficiaries are reimbursed under a variety of methodologies, including prospective rates, rates per discharge, fee schedules and cost reimbursement. The Medical Center's final reimbursement is determined after submission of an annual cost report by the Medical Center and audit thereof by MaineCare. Preliminary settlements have been determined for all years through 2009.

The State of Maine enacted legislation establishing a health care provider tax (State tax). The enactment of the State tax allowed the State of Maine to add revenues to the State of Maine General Fund while minimizing the potential lost federal matching funds in the MaineCare Program. The Medical Center's tax is based on a State of Maine formula which calculates the annual tax as a percentage of historic net patient service revenue. As a result, the Hospital was subjected to and recorded \$927,535 and \$866,390 of State tax in 2013 and 2012, respectively. Legislation was passed by the State of Maine imposing a tax on all nursing homes and residential treatment facilities. This health care provider tax was effective beginning July 1, 2002. Under this State of Maine regulation, the Medical Center is also required to pay a tax of 6% of its calculated gross patient service revenue for its nursing home facility. This tax was \$239,326 and \$252,166 for fiscal years 2013 and 2012, respectively. These taxes are offset through increased reimbursement which is reflected as a decrease in contractual adjustments.

NORTHERN MAINE MEDICAL CENTER AND SUBSIDIARY

Notes to Consolidated Financial Statements

September 30, 2013 and 2012

Blue Cross

All services provided to Blue Cross subscribers were reimbursed at a discount from established charges.

Other

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

The amounts which the Medical Center charged at established rates are shown below, along with the difference between the amounts charged and the estimated amounts realizable under the third-party reimbursement formula (contractual adjustments), and the amounts classified as free care.

Net patient service revenue consists of the following at September 30, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Patient service revenue		
Routine services	\$ 8,961,975	\$ 8,657,157
Special services	45,724,703	46,297,047
Long-term care services	6,231,197	6,507,515
Medical practices	<u>10,993,425</u>	<u>11,001,776</u>
	71,911,300	72,463,495
Deductions from revenue		
Contractual allowances	(26,483,871)	(26,402,735)
MaineCare Rural Health Center settlements	-	5,000,000
Charity care	<u>(927,844)</u>	<u>(738,697)</u>
	<u>(27,411,715)</u>	<u>(22,141,432)</u>
Patient service revenue (net of contractual allowances and discounts)	44,499,585	50,322,063
Provision for doubtful accounts	<u>(1,354,273)</u>	<u>(1,068,745)</u>
Net patient service revenue	\$ <u>43,145,312</u>	\$ <u>49,253,318</u>

During 2013, net patient service revenue increased by approximately \$989,000 due to favorable settlements and changes in prior year estimated third-party settlements. During 2012, net patient service revenue increased by approximately \$5,629,000 due to favorable settlements and changes in prior year estimated third-party settlements. The DHHS agreed to pay a higher reimbursement rate for the Rural Health Center for the years 2004-2012, which accounted for approximately \$5,000,000 of the total \$5,629,000 increase in 2012.

NORTHERN MAINE MEDICAL CENTER AND SUBSIDIARY

Notes to Consolidated Financial Statements

September 30, 2013 and 2012

Revenues from the Medicare program accounted for approximately 56% of the Medical Center's patient service revenues for the years ended 2013 and 2012. Revenues from the MaineCare (the State of Maine's Medicaid program) accounted for approximately 15% and 14% of the Medical Center's patient service revenues for the years ended 2013 and 2012, respectively.

Patient service revenue, net of contractual adjustments and discounts (but before the provision for doubtful accounts), recognized during fiscal year ended September 30, 2013 totaled \$44,499,585, of which \$42,073,689 was revenue from third-party payors and \$2,425,896 was revenue from self-pay patients

7. Charity Care

The Medical Center maintains records to identify and monitor the level of charity care it provides. These records include the amount of charges foregone for services and supplies furnished under its charity care policy, the estimated cost of those services and supplies, and equivalent service statistics. The following information measures the level of charity care provided for the year ended September 30:

	<u>2013</u>	<u>2012</u>
Charges foregone, based on established rates	\$ <u>927,844</u>	\$ <u>738,697</u>
Estimated costs incurred to provide charity care	\$ <u>573,000</u>	\$ <u>447,000</u>
Equivalent percentage of charity care services to all services	<u>1.29%</u>	<u>1.02%</u>

Costs of providing charity care services have been estimated based on an overall financial statement ratio of costs to charges applied to charity care charges forgone.

8. Defined Contribution Plan

The Medical Center and VMA have a defined contribution annuity plan which covers substantially all eligible employees. The Medical Center funds the defined contribution plan via bi-weekly contributions. The employer non-discretionary contribution was suspended February 1, 2009. Effective January 1, 2011, the Medical Center reinstated the employer non-discretionary contribution at a rate of 1% of base compensation for all eligible and participating employees. In August 2012, the Medical Center approved an employer matching contribution not to exceed 3% of employee's eligible compensation and the non-discretionary contribution was ceased. The Medical Center's contributions and expense for fiscal 2013 and 2012 totaled approximately \$350,300 and \$162,200, respectively.

NORTHERN MAINE MEDICAL CENTER AND SUBSIDIARY

Notes to Consolidated Financial Statements

September 30, 2013 and 2012

9. Commitments and Contingencies

Malpractice Insurance

The Medical Center insures its medical malpractice risks through a multiprovider captive insurance company. Premiums paid are based upon actuarial determined amounts to adequately fund for expected losses. The captive retains and funds up to actuarial expected loss amounts and obtains reinsurance for aggregate claims in excess of funding in accordance with industry practices. The Medical Center's interest in the captive represents approximately 23% of the captive at September 30, 2013. The Medical Center has recorded its portion of the captive's equity, which totals approximately \$1,913,000 and \$1,340,000 at September 30, 2013 and 2012, respectively, which is included in other assets on the consolidated balance sheet, and the change in the Medical Center's interest (prior to distribution) is included as part of nonoperating gains in the consolidated statements of operations. The Medical Center is subject to complaints, claims, and litigation due to potential claims which arise in the normal course of business. Generally accepted accounting principles require the Medical Center to accrue the ultimate cost of malpractice claims when the incident that gives rise to the claim occurs, without consideration of insurance recoveries. Expected insurance recoveries are presented as a separate asset. The Medical Center has evaluated its exposure to losses arising from potential claims and has properly accounted for them in the consolidated financial statements as of September 30, 2013.

Self-Insurance Program

The Medical Center and VMA self-insure their employee health benefits and have estimated and recorded amounts to meet the expected obligations under the program. Stop loss insurance coverage is in effect which limits the Medical Center's exposure to loss on an individual basis of \$95,000 (excluding services rendered by the Medical Center to participants) and an annual aggregate basis of \$1,705,000 (excluding services rendered by the Medical Center to participants). In 2013 and 2012, total expense for health benefits was approximately \$1,911,000 and \$2,200,000, respectively. The Medical Center has accrued a liability for this program within accounts payable and accrued expenses totaling approximately \$375,000 and \$305,000 at September 30, 2013 and 2012, respectively. Gross revenues recorded by the Medical Center for services rendered to participants in the plan were approximately \$1,199,900 in 2013 and \$1,195,900 in 2012.

The Medical Center maintains its cash accounts in commercial banks and credit unions which, at times, may exceed federally insured limits. The Medical Center has experienced no losses in such accounts. The Medical Center believes it is not exposed to any significant risk with regard to cash and cash equivalents.

10. Leases

The Medical Center has various leases on a month-to-month basis. Lease expense amounted to approximately \$70,000 and \$59,000 for the years ended September 30, 2013 and 2012, respectively.

NORTHERN MAINE MEDICAL CENTER AND SUBSIDIARY

Notes to Consolidated Financial Statements

September 30, 2013 and 2012

The Medical Center has entered into various long-term operating leases for office space and equipment. The leases carry varying terms and expiration dates ranging from one to five years. Rent expense under these lease agreements amounted to approximately \$328,000 and \$289,000 for the years ended September 30, 2013 and 2012, respectively. The approximate future minimum lease payments required under these operating leases are as follows:

2014	\$ 157,952
2015	87,182
2016	80,987
2017	29,881
2018	<u>10,515</u>
	<u>\$ 366,517</u>

The Medical Center leases out some of its facilities and equipment on a tenant-at-will basis. Rental income from these leases totaled approximately \$114,000 and \$94,000 for the years ended September 30, 2013 and 2012, respectively, and is included in other revenue in the consolidated statements of operations.

11. Functional Expense

The Medical Center 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>2013</u>	<u>2012</u>
Health care services	\$ 36,414,642	\$ 34,980,293
General and administrative	<u>7,984,363</u>	<u>8,848,366</u>
	<u>\$ 44,399,005</u>	<u>\$ 43,828,659</u>

12. Related Parties

Notes and other amounts due from related parties consist of the following at September 30:

	<u>2013</u>	<u>2012</u>
Notes receivable from physicians	\$ 66,993	\$ 41,626
Receivable from Aroostook Home Health Services	111,110	111,110
Receivable from employees	17,169	17,169
Less:		
Reserve for uncollectible accounts	(102,320)	(102,320)
Current portion of notes receivable	<u>(23,819)</u>	<u>(15,967)</u>
Notes and other amounts due from related parties, less current portion	<u>\$ 69,133</u>	<u>\$ 51,618</u>

NORTHERN MAINE MEDICAL CENTER AND SUBSIDIARY

Notes to Consolidated Financial Statements

September 30, 2013 and 2012

There were four notes receivable from physicians outstanding at September 30, 2013. Notes receivable from physicians at September 30, 2013 carried interest rates of prime (3.25% at September 30, 2013) to 6% and maturities through 2015. There were two notes receivable from physicians outstanding at September 30, 2012.

The Medical Center has pledged \$100,000 of its cash and cash equivalents at September 30, 2013 and 2012 as collateral for the bank debt of Aroostook Home Health Services, for which the Medical Center appoints 50% of the Board. Due to the financial position of Aroostook Home Health Services, the Medical Center has recorded a liability for the entire amount of the pledge, \$100,000 as of September 30, 2013 and 2012.

13. Meaningful Use

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 2011 through 2015. The Medical Center attested to Stage 1 meaningful use certification from the Centers for Medicare and Medicaid Services (CMS) and has recorded meaningful use revenues of approximately \$1 million and \$1.5 million in 2013 and 2012, respectively. As additional phases are completed and the Medical Center meets the required objectives, additional financial incentives are anticipated.

The Medical Center has received full payment of the meaningful use receivables outstanding at September 30, 2013 and 2012 through the date of this report.

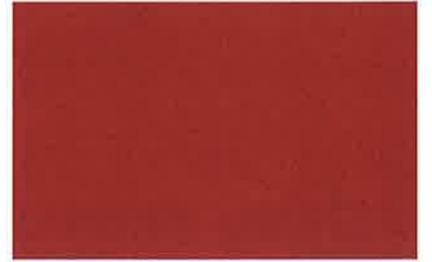
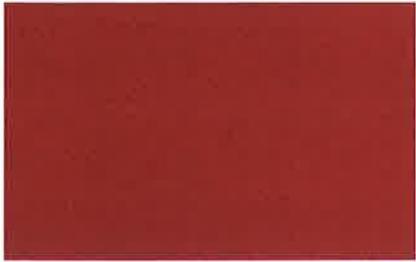
The meaningful use attestation is subject to review/audit by CMS in future years. As part of this process, a final settlement amount for the incentive payments could be established that differs from the initial calculation, and could result in return of a portion or all of the incentive payments received by the Medical Center. Management has determined that no allowance is needed against the established meaningful use receivable at September 30, 2013.

14. Subsequent Events

For purposes of the preparation of these financial statements in conformity with U.S. generally accepted accounting principles, the Medical Center has considered transactions or events occurring through January 28, 2014, which was the date that the financial statements were available to be issued.

In November 2013, the Medical Center terminated its lease and option to purchase the Madawaska Outpatient Center and Professional Building. The Medical Center agreed to pay the property owner \$100,000 and execute a promissory note in the amount of \$45,000 in exchange for the termination of the lease effective October 31, 2013.

In December 2013, the Medical Center received a contribution of building and land and is in the process of assessing its options with regards to the contribution.



Exempt Organization Business Income Tax Return
(and proxy tax under section 6033(e))

2012

Department of the Treasury
Internal Revenue Service

For calendar year 2012 or other tax year beginning **OCT 1, 2012** and ending **SEP 30, 2013**

Open to Public Inspection for
501(c)(3) Organizations Only

A <input type="checkbox"/> Check box if address changed		Name of organization (<input type="checkbox"/> Check box if name changed and see instructions.)	D Employer identification number (Employees' trust, see instructions.)
B Exempt under section <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 408(e) <input type="checkbox"/> 220(e) <input type="checkbox"/> 408A <input type="checkbox"/> 530(a) <input type="checkbox"/> 529(a)	Print or Type	Northern Maine Medical Center 194 East Main Street Fort Kent, ME 04743	01-0234189 623000

C Book value of all assets at end of year: **46,612,884.**

F Group exemption number (see instructions):

G Check organization type: 501(c) corporation 501(c) trust 401(a) trust Other trust

H Describe the organization's primary unrelated business activity: **Fitness and Wellness Center Facility**

I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? Yes No
If "Yes," enter the name and identifying number of the parent corporation: **See Statement 2**

J The books are in care of: **Cindy Daigle** Telephone number: **(207)834-3155**

Part I Unrelated Trade or Business Income	(A) Income	(B) Expenses	(C) Net
1 a Gross receipts or sales 30,477.			
b Less returns and allowances c Balance	1c 30,477.		
2 Cost of goods sold (Schedule A, line 7)	2		
3 Gross profit. Subtract line 2 from line 1c	3 30,477.		30,477.
4 a Capital gain net income (attach Schedule D)	4a		
b Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)	4b		
c Capital loss deduction for trusts	4c		
5 Income (loss) from partnerships and S corporations (attach statement)	5		
6 Rent income (Schedule C)	6		
7 Unrelated debt-financed income (Schedule E)	7		
8 Interest, annuities, royalties, and rents from controlled organizations (Sch. F)	8		
9 Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)	9		
10 Exploited exempt activity income (Schedule I)	10		
11 Advertising income (Schedule J)	11		
12 Other income (see instructions; attach statement)	12		
13 Total. Combine lines 3 through 12	13 30,477.		30,477.

Part II Deductions Not Taken Elsewhere (see instructions for limitations on deductions) (except for contributions, deductions must be directly connected with the unrelated business income)			
14 Compensation of officers, directors, and trustees (Schedule K)	14		
15 Salaries and wages	15		10,072.
16 Repairs and maintenance	16		1,388.
17 Bad debts	17		
18 Interest (attach statement)	18		
19 Taxes and licenses	19		
20 Charitable contributions (see instructions for limitation rules)	20		
21 Depreciation (attach Form 4562)	21	3,004.	
22 Less depreciation claimed on Schedule A and elsewhere on return	22a		3,004.
23 Depletion	23		
24 Contributions to deferred compensation plans	24		
25 Employee benefit programs	25		
26 Excess exempt expenses (Schedule I)	26		
27 Excess readership costs (Schedule J)	27		
28 Other deductions (attach statement) See Statement 1	28		55,980.
29 Total deductions. Add lines 14 through 28	29		70,444.
30 Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13	30		-39,967.
31 Net operating loss deduction (limited to the amount on line 30) See Statement 3	31		
32 Unrelated business taxable income before specific deduction. Subtract line 31 from line 30	32		-39,967.
33 Specific deduction (generally \$1,000, but see instructions for exceptions)	33		1,000.
34 Unrelated business taxable income. Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32	34		-39,967.

Part III Tax Computation

35 Organizations taxable as corporations (see instructions for tax computation).
36 Trusts taxable at trust rates (see instructions for tax computation).
37 Proxy tax (see instructions)
38 Alternative minimum tax
39 Total. Add lines 37 and 38 to line 35c or 36, whichever applies

Part IV Tax and Payments

40a Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116)
40b Other credits (see instructions)
40c General business credit. Attach Form 3800
40d Credit for prior year minimum tax (attach Form 8801 or 8827)
40e Total credits. Add lines 40a through 40d
41 Subtract line 40e from line 39
42 Other taxes. Check if from: Form 4255 Form 8611 Form 8697 Form 8866 Other (attach statement)
43 Total tax. Add lines 41 and 42
44a Payments: A 2011 overpayment credited to 2012
44b 2012 estimated tax payments
44c Tax deposited with Form 8868
44d Foreign organizations: Tax paid or withheld at source (see instructions)
44e Backup withholding (see instructions)
44f Credit for small employer health insurance premiums (Attach Form 8941)
44g Other credits and payments: Form 2439 Form 4136 Other
45 Total payments. Add lines 44a through 44g
46 Estimated tax penalty (see instructions). Check if Form 2220 is attached
47 Tax due. If line 45 is less than the total of lines 43 and 46, enter amount owed
48 Overpayment. If line 45 is larger than the total of lines 43 and 46, enter amount overpaid
49 Enter the amount of line 48 you want: Credited to 2013 estimated tax Refunded

Part V Statements Regarding Certain Activities and Other Information (see instructions)

1 At any time during the 2012 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country?
2 During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust?
3 Enter the amount of tax-exempt interest received or accrued during the tax year

Schedule A - Cost of Goods Sold. Enter method of inventory valuation N/A

1 Inventory at beginning of year
2 Purchases
3 Cost of labor
4a Additional section 263A costs (att. statement)
4b Other costs (attach statement)
5 Total. Add lines 1 through 4b
6 Inventory at end of year
7 Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2
8 Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?

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 taxpayer) is based on all information of which preparer has any knowledge.

Sign Here
Signature of officer: Barbara J. McGuan, CPA
Date: 08/12/14
Title: CEO
May the IRS discuss this return with the preparer shown below (see instructions)? [X] Yes [] No

Paid Preparer Use Only
Print/Type preparer's name: Barbara J. McGuan, CPA
Preparer's signature: Barbara J. McGuan, CPA
Date: 08/12/14
Check self-employed: []
PTIN: P00219457
Firm's name: Berry Dunn McNeil & Parker, LLC
Firm's EIN: 01-0523282
Firm's address: P.O. Box 1100, Portland, ME 04104-1100
Phone no.: (207) 775-2387

Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property) (see instructions)

1. Description of property		
(1)		
(2)		
(3)		
(4)		
2. Rent received or accrued		3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach statement)
(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	
(1)		
(2)		
(3)		
(4)		
Total	0.	Total
		0.
(c) Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A)		(b) Total deductions. Enter here and on page 1, Part I, line 6, column (B) ...
		0.

Schedule E - Unrelated Debt-Financed Income (see instructions)

1. Description of debt-financed property		2. Gross income from or allocable to debt-financed property	3. Deductions directly connected with or allocable to debt-financed property	
			(a) Straight line depreciation (attach statement)	(b) Other deductions (attach statement)
(1)				
(2)				
(3)				
(4)				
4. Amount of average acquisition debt on or allocable to debt-financed property (attach statement)	5. Average adjusted basis of or allocable to debt-financed property (attach statement)	6. Column 4 divided by column 5	7. Gross income reportable (column 2 x column 6)	8. Allocable deductions (column 6 x total of columns 3(a) and 3(b))
(1)		%		
(2)		%		
(3)		%		
(4)		%		
Totals			0.	0.
Total dividends-received deductions included in column 8			0.	0.

Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations (see instructions)

1. Name of controlled organization	2. Employer identification number	Exempt Controlled Organizations			
		3. Net unrelated income (loss) (see instructions)	4. Total of specified payments made	5. Part of column 4 that is included in the controlling organization's gross income	6. Deductions directly connected with income in column 5
(1)					
(2)					
(3)					
(4)					
Nonexempt Controlled Organizations					
7. Taxable Income	8. Net unrelated income (loss) (see instructions)	9. Total of specified payments made	10. Part of column 9 that is included in the controlling organization's gross income	11. Deductions directly connected with income in column 10	
(1)					
(2)					
(3)					
(4)					
Totals			0.	0.	

Schedule G - Investment Income of a Section 501(c)(7), (9), or (17) Organization

(see instructions)

1. Description of income	2. Amount of income	3. Deductions directly connected (attach statement)	4. Set-asides (attach statement)	5. Total deductions and set-asides (col. 3 plus col. 4)
(1)				
(2)				
(3)				
(4)				
Totals	0.			0.

Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income

(see instructions)

1. Description of exploited activity	2. Gross unrelated business income from trade or business	3. Expenses directly connected with production of unrelated business income	4. Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute cols. 5 through 7.	5. Gross income from activity that is not unrelated business income	6. Expenses attributable to column 5	7. Excess exempt expenses (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals	0.	0.				0.

Schedule J - Advertising Income (see instructions)

Part I Income From Periodicals Reported on a Consolidated Basis

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals (carry to Part II, line (5))	0.	0.				0.

Part II Income From Periodicals Reported on a Separate Basis (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals from Part I	0.	0.				0.
Totals, Part II (lines 1-5)	0.	0.				0.

Schedule K - Compensation of Officers, Directors, and Trustees (see instructions)

1. Name	2. Title	3. Percent of time devoted to business	4. Compensation attributable to unrelated business
(1)		%	
(2)		%	
(3)		%	
(4)		%	
Total. Enter here and on page 1, Part II, line 14			0.

Form 990-T	Other Deductions	Statement	1
<u>Description</u>		<u>Amount</u>	
	Supplies		1,926.
	Utilities		5,750.
	Occupancy		48,304.
Total to Form 990-T, Page 1, line 28			55,980.

Form 990-T	Parent Corporation's Name and Identifying Number	Statement	2
<u>Corporation's Name</u>		<u>Identifying No</u>	
	Northern Maine Medical Center		01-0234189

Form 990-T	Net Operating Loss Deduction			Statement	3
Tax Year	Loss Sustained	Loss Previously Applied	Loss Remaining	Available This Year	
09/30/11	34,290.	0.	34,290.	34,290.	
09/30/12	32,194.	0.	32,194.	32,194.	
NOL Carryover Available This Year			66,484.	66,484.	

Depreciation and Amortization 990-T
 (Including Information on Listed Property)

▶ See separate instructions. ▶ Attach to your tax return.

Name(s) shown on return: **Northern Maine Medical Center**
 Business or activity to which this form relates: **Form 990-T Page 1**
 Identifying number: **01-0234189**

Part I Election To Expense Certain Property Under Section 179 Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount (see instructions)	1	500,000.
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	2,000,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2011 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2013. Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2012	17	3,004.
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here		<input type="checkbox"/>

Section B - Assets Placed in Service During 2012 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property	/		27.5 yrs.	MM	S/L	
	/		27.5 yrs.	MM	S/L	
i Nonresidential real property	/		39 yrs.	MM	S/L	
	/			MM	S/L	

Section C - Assets Placed in Service During 2012 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year	/		40 yrs.	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instr.	22	3,004.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V Listed Property (Include automobiles, certain other vehicles, certain computers, and property used for entertainment, recreation, or amusement.)
Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? Yes No **24b** If "Yes," is the evidence written? Yes No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use..... 25								
26 Property used more than 50% in a qualified business use:								
	:	:	%					
	:	:	%					
	:	:	%					
27 Property used 50% or less in a qualified business use:								
	:	:	%			S/L -		
	:	:	%			S/L -		
	:	:	%			S/L -		
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1								28
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1								29

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle		(b) Vehicle		(c) Vehicle		(d) Vehicle		(e) Vehicle		(f) Vehicle	
	Yes	No										
30 Total business/investment miles driven during the year (do not include commuting miles)												
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year. Add lines 30 through 32												
34 Was the vehicle available for personal use during off-duty hours?												
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons.

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use?		

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2012 tax year:					
	:	:			
	:	:			
43 Amortization of costs that began before your 2012 tax year					43
44 Total. Add amounts in column (f). See the instructions for where to report					44

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.

Type or print	Name of exempt organization or other filer, see instructions. Northern Maine Medical Center	Employer identification number (EIN) or 01-0234189
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions. 194 East Main Street	Social security number (SSN)
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. Fort Kent, ME 04743	

Enter the Return code for the return that this application is for (file a separate application for each return) 07

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

Cindy Daigle

- The books are in the care of ▶ **194 East Main Street - Fort Kent, ME 04743**
 Telephone No. ▶ **(207) 834-3155** FAX No. ▶ _____
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension is for.

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until **August 15, 2014**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
 ▶ calendar year _____ or
 ▶ tax year beginning **OCT 1, 2012**, and ending **SEP 30, 2013**.

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.