

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)

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 JUL 1, 2012 and ending JUN 30, 2013

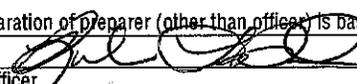
B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization York Hospital		D Employer identification number 01-0212444
	Doing Business As		E Telephone number (207) 363-4321
	Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	
	15 Hospital Drive		G Gross receipts \$ 177,873,763.
City, town, or post office, state, and ZIP code York, ME 03909		H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
F Name and address of principal officer: Jud Knox same as C above		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			
J Website: www.yorkhospital.com			
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: 1904 M State of legal domicile: ME	

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: <u>Community Hospital</u>
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.
	3 Number of voting members of the governing body (Part VI, line 1a) 3 25
	4 Number of independent voting members of the governing body (Part VI, line 1b) 4 18
	5 Total number of individuals employed in calendar year 2012 (Part V, line 2a) 5 1321
	6 Total number of volunteers (estimate if necessary) 6 180
	7a Total unrelated business revenue from Part VIII, column (C), line 12 7a 2,961,009.
b Net unrelated business taxable income from Form 990-T, line 34 7b 71,646.	
Revenue	8 Contributions and grants (Part VIII, line 1h) 1,830,618. 1,682,672.
	9 Program service revenue (Part VIII, line 2g) 160,077,178. 158,731,989.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d) 943,526. 1,380,275.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) 106,569. 90,005.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12) 162,957,891. 161,884,941.
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3) 96,163. 44,317.
	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) 88,062,670. 90,772,212.
	16a Professional fundraising fees (Part IX, column (A), line 11e) 0. 0.
	b Total fundraising expenses (Part IX, column (D), line 25) 414,290.
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e) 74,913,958. 70,700,895.
18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25) 163,072,791. 161,517,424.	
19 Revenue less expenses. Subtract line 18 from line 12 -114,900. 367,517.	
Net Assets or Fund Balances	20 Total assets (Part X, line 16) 117,086,790. 115,747,461.
	21 Total liabilities (Part X, line 26) 50,318,583. 43,016,285.
	22 Net assets or fund balances. Subtract line 21 from line 20 66,768,207. 72,731,176.

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 <u>3/15/14</u>
	Robin Labonte, CFO Type or print name and title	

Paid Preparer Use Only	Print/Type preparer's name Nicholas E. Porto	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	PTIN P01310283
	Firm's name Baker Newman & Noyes	Firm's EIN 01-0494526		Phone no. (207) 879-2100	
	Firm's address P.O. Box 507 Portland, ME 04112				

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:
Community Hospital

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

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services?
If "Yes," describe these changes on Schedule O.
 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 \$ 150,967,908. including grants of \$ 44,317.) (Revenue \$ 155,820,702.)
York Hospital is a not-for-profit health care center established to provide health care services to the York county area. It offers both inpatient and outpatient acute services and has 79 licensed acute beds. The Hospital has outpatient satellite services in Wells, Kittery, Berwick, North Berwick, and South Berwick.

York Hospital is committed to providing exceptional care to patients and their families. All efforts must be thoughtful, kind, and loving. York Hospital is dedicated to creating and nurturing a fabric of compassionate relationships among physicians, caregivers, patients, and families to offer sensitive, understandable, high-quality medical care experiences.

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 150,967,908.

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	
24b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		X
24c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		X
24d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		X
25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>		X
25b 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):		
28a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
28b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
28c 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
35b 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>		
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? Note. All Form 990 filers are required to complete Schedule O	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

Main form area containing questions 1a through 14b with corresponding input fields and 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

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.		
	25		
1b	Enter the number of voting members included in line 1a, above, who are independent		
	18		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?		X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		X
6	Did the organization have members or stockholders?		X
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?		X
7b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
8a	The governing body?	X	
8b	Each committee with authority to act on behalf of the governing body?	X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		X

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

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

Section C. Disclosure

- 17** List the states with which a copy of this Form 990 is required to be filed **None**
- 18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
 Own website Another's website Upon request Other (explain in Schedule O)
- 19** Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
- 20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization: **Robin LaBonte, CFO - (207) 363-4321**
15 Hospital Drive, York, ME 03909

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) Thomas Albright, MD Trustee/Orthopedic Surgeon	40.00	X						378,128.	0.	25,858.
(2) Loraine Boston Trustee	1.00	X						0.	0.	0.
(3) Richard Brown Trustee	1.00	X						0.	0.	0.
(4) Tony Cillufo (part year) Trustee	1.00	X						0.	0.	0.
(5) David Cousineau (part year) Trustee	1.00	X						0.	0.	0.
(6) Christopher Crane Trustee	1.00	X						0.	0.	0.
(7) Jennifer Eaton, DO Trustee/Physician	40.00	X						233,464.	0.	26,979.
(8) Danal Epstein Trustee	1.00	X						0.	0.	0.
(9) Robert Foley Trustee	1.00	X						0.	0.	0.
(10) James Gilroy, MD Trustee/Physician	40.00	X						245,002.	0.	11,207.
(11) Joan Goodrich Trustee	1.00	X						0.	0.	0.
(12) Doug Gray, DDS Trustee	1.00	X						0.	0.	0.
(13) Madeline Hayes Trustee	1.00	X						0.	0.	0.
(14) Cynthia Hosmer Trustee	1.00	X						0.	0.	0.
(15) Chris Kehl Trustee	1.00	X						0.	0.	0.
(16) Jeffrey Lockhart, MD Trustee/Anesthesiologist	40.00	X						612,039.	0.	28,204.
(17) Jane May, RN Trustee/RN	40.00	X						72,656.	0.	22,169.

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) Michael O'Keefe Trustee	1.00	X						0.	0.	0.
(19) Deborah Pease Trustee	1.00	X						0.	0.	0.
(20) Lawrence Petrovich, MD Trustee/Cardiologist	40.00	X						406,647.	0.	19,704.
(21) Suzi Raeside Trustee	1.00	X						0.	0.	0.
(22) Ala Reid Trustee	1.00	X						0.	0.	0.
(23) Warren Spencer (part year) Trustee	1.00	X						0.	0.	0.
(24) Oscar Stone Trustee	1.00	X						0.	0.	0.
(25) Jeffrey Thurlow, MD Trustee (part year)/Surgeon	40.00	X						437,849.	0.	23,279.
(26) William Foster Trustee/Chairman	1.00	X		X				0.	0.	0.
1b Sub-total								2,385,785.	0.	157,400.
c Total from continuation sheets to Part VII, Section A								2,970,747.	0.	343,171.
d Total (add lines 1b and 1c)								5,356,532.	0.	500,571.

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 113

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
Medefis PO Box 5068, New York, NY 10275	Locum Physician Services	825,630.
Quest Diagnostic, 12436 Collection Center Drive, Chicago, IL 60693	Contract Laboratory Services	658,945.
Seacoast Pathology, Inc. PO Box 100519, Atlanta, GA 30384	Pathology services	657,105.
Eckman Construction Company, Inc. 84 Palomino Lane, Bedford, NH 03110	Construction services	634,528.
Jannx Medical Systems, 12166 Old Big Bend Boulevard, St. Louis, MO 63122	Medical Equipment Maintenance	559,165.

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 25

See Part VII, Section A Continuation sheets

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 (check all that apply)						(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			
(27) Doug Bracy Trustee/Vice Chairman	1.00	X		X				0.	0.	0.
(28) Henry F. Warner, Jr. Trustee/Treasurer	1.00	X		X				0.	0.	0.
(29) Jud Knox President/Leader	40.00	X		X			398,077.	0.	227,684.	
(30) Robin LaBonte CFO/Leader	40.00			X			282,012.	0.	28,204.	
(31) Amanda Demetri-Lewis, DO Radiologist	40.00					X	428,087.	0.	21,502.	
(32) Patrick Robertson, MD Orthopedic Surgeon	40.00					X	553,626.	0.	21,064.	
(33) Brandon Stahl, MD Urologist	40.00					X	483,765.	0.	23,954.	
(34) Kira Wendorf, MD Radiologist	40.00					X	428,766.	0.	13,257.	
(35) Heidar Arjomand-Fard, MD Cardiologist	40.00					X	396,414.	0.	7,506.	
Total to Part VII, Section A, line 1c								2,970,747.		343,171.

Part VIII Statement of Revenue

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

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
Contributions, Gifts, Grants, and Other Similar Amounts	1 a Federated campaigns	1a 11,250.					
	b Membership dues	1b					
	c Fundraising events	1c 87,329.					
	d Related organizations	1d					
	e Government grants (contributions)	1e 363,280.					
	f All other contributions, gifts, grants, and similar amounts not included above	1f 1,220,813.					
	g Noncash contributions included in lines 1a-1f: \$	20,569.					
	h Total. Add lines 1a-1f		1,682,672.				
	Program Service Revenue	2 a Patient services	Business Code 621400	119,275,379.	119,275,379.		
b Lab		621500	28,861,488.	28,648,555.	212,933.		
c Pharmacy		446110	6,565,360.	3,817,284.	2,748,076.		
d Miscellaneous revenue		621400	3,182,099.	3,182,099.			
e Cafeteria revenue		722210	600,397.	600,397.			
f All other program service revenue		621400	247,266.	247,266.			
g Total. Add lines 2a-2f			158,731,989.				
Other Revenue		3 Investment income (including dividends, interest, and other similar amounts)		376,825.			376,825.
	4 Income from investment of tax-exempt bond proceeds						
	5 Royalties						
	6 a Gross rents	(i) Real	49,722.				
		(ii) Personal	0.				
		b Less: rental expenses					
		c Rental income or (loss)	49,722.				
	d Net rental income or (loss)		49,722.	49,722.			
	7 a Gross amount from sales of assets other than inventory	(i) Securities	16,143,075.				
		(ii) Other	799,615.				
		b Less: cost or other basis and sales expenses	15,136,228.	803,012.			
		c Gain or (loss)	1,006,847.	-3,397.			
	d Net gain or (loss)		1,003,450.			1,003,450.	
	8 a Gross income from fundraising events (not including \$ 87,329. of contributions reported on line 1c). See Part IV, line 18	a	89,865.				
		b Less: direct expenses	49,582.				
c Net income or (loss) from fundraising events			40,283.			40,283.	
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							
	b						
	c						
	d All other revenue						
	e Total. Add lines 11a-11d						
12 Total revenue. See instructions.			161,884,941.	155,820,702.	2,961,009.	1,420,558.	

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

<i>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</i>	(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	44,317.	44,317.		
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	3,652,537.	3,430,667.	221,870.	
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	68,060,024.	65,151,853.	2,851,270.	56,901.
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	2,401,195.	2,358,207.	40,727.	2,261.
9 Other employee benefits	12,388,681.	11,859,406.	519,235.	10,040.
10 Payroll taxes	4,269,775.	4,087,028.	179,331.	3,416.
11 Fees for services (non-employees):				
a Management				
b Legal	221,370.		221,370.	
c Accounting	191,968.	76,787.	115,181.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees	228,963.		228,963.	
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)	11,109,047.	9,442,690.	1,666,357.	
12 Advertising and promotion	496,176.	471,367.	19,847.	4,962.
13 Office expenses	32,615,864.	30,985,076.	1,304,631.	326,157.
14 Information technology				
15 Royalties				
16 Occupancy	5,591,199.	4,752,519.	838,680.	
17 Travel	309,151.	293,693.	12,366.	3,092.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	146,671.	124,670.	22,001.	
20 Interest	956,842.	813,316.	143,526.	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	4,905,160.	4,169,386.	735,774.	
23 Insurance	1,876,627.	892,375.	984,252.	
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 <u>Provision for bad debt</u>	7,730,859.	7,730,859.		
b <u>Healthcare provider tax</u>	3,503,004.	3,503,004.		
c				
d				
e All other expenses	817,994.	780,688.	29,845.	7,461.
25 Total functional expenses. Add lines 1 through 24e	161,517,424.	150,967,908.	10,135,226.	414,290.
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	856,216.	1 223,928.
	2	Savings and temporary cash investments	2,689,901.	2 2,042,903.
	3	Pledges and grants receivable, net	490,846.	3 163,409.
	4	Accounts receivable, net	20,018,973.	4 22,816,269.
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instr). Complete Part II of Sch L		6
	7	Notes and loans receivable, net		7
	8	Inventories for sale or use	3,748,911.	8 3,408,904.
	9	Prepaid expenses and deferred charges	1,032,615.	9 1,150,659.
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 114,090,843.	
	b	Less: accumulated depreciation	10b 65,853,003.	
			50,842,233.	10c 48,237,840.
	11	Investments - publicly traded securities	25,730,351.	11 27,818,204.
	12	Investments - other securities. See Part IV, line 11	7,319,943.	12 7,531,147.
	13	Investments - program-related. See Part IV, line 11		13
	14	Intangible assets	196,288.	14 178,494.
15	Other assets. See Part IV, line 11	4,160,513.	15 2,175,704.	
16	Total assets. Add lines 1 through 15 (must equal line 34)	117,086,790.	16 115,747,461.	
Liabilities	17	Accounts payable and accrued expenses	15,782,849.	17 14,242,462.
	18	Grants payable		18
	19	Deferred revenue		19
	20	Tax-exempt bond liabilities	16,447,853.	20 15,122,885.
	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	2,889,712.	23 5,188,044.
	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	15,198,169.	25 8,462,894.
	26	Total liabilities. Add lines 17 through 25	50,318,583.	26 43,016,285.
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	58,198,406.	27 63,343,791.
	28	Temporarily restricted net assets	5,951,564.	28 6,507,861.
	29	Permanently restricted net assets	2,618,237.	29 2,879,524.
	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	66,768,207.	33 72,731,176.	
34	Total liabilities and net assets/fund balances	117,086,790.	34 115,747,461.	

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	161,884,941.
2	Total expenses (must equal Part IX, column (A), line 25)	2	161,517,424.
3	Revenue less expenses. Subtract line 2 from line 1	3	367,517.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	66,768,207.
5	Net unrealized gains (losses) on investments	5	5,595,452.
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	72,731,176.

Part XII Financial Statements and Reporting

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

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

Form 990 (2012)

Public Charity Status and Public Support

2012

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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.

Name of the organization **York Hospital** Employer identification number **01-0212444**

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									

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

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

York Hospital

Employer identification number

01-0212444

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 York Hospital	Employer identification number 01-0212444
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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
1		\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2		\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
3		\$ 158,884.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
4		\$ 20,569.	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.)
5		\$ 7,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
6		\$ 25,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization

Employer identification number

York Hospital

01-0212444

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
7		\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
8		\$ 5,200.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
9		\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
10		\$ 10,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
11		\$ 316,987.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
12		\$ 65,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization

Employer identification number

York Hospital

01-0212444

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
13		\$ 43,735.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
14		\$ 50,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
15		\$ 27,260.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
16		\$ 204,396.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
17		\$ 7,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
18		\$ 13,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization York Hospital	Employer identification number 01-0212444
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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
19		\$ 10,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> <small>(Complete Part II if there is a noncash contribution.)</small>
20		\$ 11,250.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> <small>(Complete Part II if there is a noncash contribution.)</small>
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> <small>(Complete Part II if there is a noncash contribution.)</small>
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> <small>(Complete Part II if there is a noncash contribution.)</small>
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> <small>(Complete Part II if there is a noncash contribution.)</small>
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> <small>(Complete Part II if there is a noncash contribution.)</small>

Name of organization York Hospital	Employer identification number 01-0212444
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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
4	Publicly Traded Securities _____ _____ _____	\$ 20,569.	12/17/12
	_____ _____ _____	\$ _____	_____
	_____ _____ _____	\$ _____	_____
	_____ _____ _____	\$ _____	_____
	_____ _____ _____	\$ _____	_____
	_____ _____ _____	\$ _____	_____
	_____ _____ _____	\$ _____	_____

Name of organization

Employer identification number

York Hospital

01-0212444

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	

SCHEDULE C
(Form 990 or 990-EZ)

Political Campaign and Lobbying Activities

OMB No. 1545-0047

2012

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

Department of the Treasury
Internal Revenue Service

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

▶ **See separate instructions.**

Open to Public Inspection

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

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

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

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

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

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

Name of organization York Hospital	Employer identification number 01-0212444
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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-.

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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		12,380.
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	
j Total. Add lines 1c through 1i			12,380.
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:

Maine Hospital Association dues and American Hospital Association dues totaled \$66,909 of which \$12,380 was available for lobbying.

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

York Hospital

Employer identification number

01-0212444

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

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

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

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

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

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

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

Protection of natural habitat Preservation of a certified historic structure

Preservation of open space

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

	Held at the End of the 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	8,569,801.	9,160,794.	8,484,005.	7,846,127.	7,623,514.
b Contributions	669,672.	492,633.	740,532.	1,098,494.	2,000,053.
c Net investment earnings, gains, and losses	1,078,525.	42,178.	1,320,739.	625,885.	-881,917.
d Grants or scholarships					
e Other expenditures for facilities and programs	930,613.	1,125,804.	1,384,482.	1,086,501.	895,523.
f Administrative expenses					
g End of year balance	9,387,385.	8,569,801.	9,160,794.	8,484,005.	7,846,127.

- 2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:
- a Board designated or quasi-endowment .00 %
 - b Permanent endowment 30.60 %
 - c Temporarily restricted endowment 69.40 %
- The percentages in lines 2a, 2b, and 2c should equal 100%.
- 3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:
- | | Yes | No |
|-----------------------------|--------------------------|-------------------------------------|
| (i) unrelated organizations | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (ii) related organizations | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
- b If "Yes" to 3a(i), 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		3,904,522.		3,904,522.
b Buildings		59,655,888.	24,740,430.	34,915,458.
c Leasehold improvements		3,446,710.	3,053,248.	393,462.
d Equipment		45,606,782.	38,059,325.	7,547,457.
e Other		1,476,941.		1,476,941.
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				48,237,840.

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) Other investments	268,454.	End-of-Year Market Value
(B) Alternative investments	7,262,693.	End-of-Year Market Value
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
(I)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12.)	7,531,147.	

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)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.)	

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

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) Assets held on behalf of third party	926,101.
(4) Pension obligation	7,536,793.
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.)	8,462,894.

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	167,301,012.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments	2a	5,595,452.
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIII.)	2d	49,582.
e	Add lines 2a through 2d	2e	5,645,034.
3	Subtract line 2e from line 1	3	161,655,978.
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	228,963.
b	Other (Describe in Part XIII.)	4b	
c	Add lines 4a and 4b	4c	228,963.
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	5	161,884,941.

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

1	Total expenses and losses per audited financial statements	1	161,338,043.
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	49,582.
e	Add lines 2a through 2d	2e	49,582.
3	Subtract line 2e from line 1	3	161,288,461.
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	228,963.
b	Other (Describe in Part XIII.)	4b	
c	Add lines 4a and 4b	4c	228,963.
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)	5	161,517,424.

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 V, line 4: Temporarily Restricted Funds

Biewend (12/82)- Principal and income restricted for purchase of new equipment and the acquisition of land and buildings other than an addition to the present hospital buildings.

Page (1945) - To be used for support and maintenance of district visiting nurses.

Palmer/Perkins Nursing Scholarship - See Perm Restricted for description.

Part XIII Supplemental Information (continued)

Rose Voignier Scholarship - Fund to remain in endowment until the value is \$100,000, at that time the funds are to be used to provide training and instruction for staff @ York Hospital, as well as health care training for the public.

Baldwin Fund for Nursing Excellence - Financial support for nurses who need to be re-certified and current in their health care skills, including advanced training or change of focus. Scholarships for support staff, who are interested in entering the field of nursing. Financial assistance to help defray the costs of ongoing orientation, classroom instruction and clinical training of new York Hospital nurses. To help defray the costs associated with the York Hospital's Summer Intern program for young nursing students who are currently enrolled in a nursing school.

Winkler Fund - Funds to be used for Nursing Education.

Rose Voignier Education Fund - Funds to be used for staff education.

Permanently Restricted Funds

Elizabeth B. Perkins - Principal to remain in perpetuity, the income for the care of patients who are unable to pay for proper treatment.

Gerrity - 80% of income is unrestricted. 20% is to be reinvested as

Principle

YH Memorial Fund - Principal to be kept intact and the income to be used @ the board discretion

Cowey - Income and gains to be used for pediatrics (Corpus only to be kept intact)

Forristall - To be used for SNF (Corpus only to be kept intact)

Mason - To be used for free work provided to patients who cannot afford to pay (Corpus only to be kept intact)

Part XIII Supplemental Information (continued)

Brewster - Income and gains to be used for any form of diabetes research and care (Corpus only to be kept intact).

Palmer/Perkins Endowment - Principal to be kept intact and the income to be used for nursing education for the staff.

Hospice - Principal to be reinvested and the income to be used to offset expenses of the Hospice.

Sidelinger - (6/88) Principal to be kept intact and the income to be used for general purposes of the support, upkeep and maintenance of the hospital as determined by the Board.

Oncology Fund - Income to be used for support programs for patients, their families and caregivers.

Part X, Line 2: The Hospital is a not-for-profit corporation and is tax-exempt under Section 501(c)(3) of the Internal Revenue Code.

Tax-exempt organizations could be required to record an obligation for income taxes as the result of a tax position they have historically taken on various tax exposure items including unrelated business income or tax status. Under guidance issued by the Financial Accounting Standards Board, assets and liabilities are established for uncertain tax positions taken or positions expected to be taken on income tax returns when such positions are judged to meet the "more-likely-than-not" threshold, based upon the technical merits of the position. Estimated interests and penalties, if applicable, related to uncertain tax positions are included in a component of income tax expense. The Hospital has evaluated the position taken on its filed tax returns. The Hospital has concluded no uncertain income tax positions exist at June 30, 2013. The Hospital's tax years from 2010 through 2013 are open and subject to examination.

Part XIII Supplemental Information (continued)

Part XI, Line 2d - Other Adjustments:

Special Events Expenses 49,582.

Part XII, Line 2d - Other Adjustments:

Special Events Expenses 49,582.

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	
		Pocket Book Fundraiser (event type)	Golf Tournament (event type)	3 (total number)	(add col. (a) through col. (c))	
Revenue	1	Gross receipts	92,279.	40,376.	44,539.	177,194.
	2	Less: Contributions	30,550.	23,800.	32,979.	87,329.
	3	Gross income (line 1 minus line 2)	61,729.	16,576.	11,560.	89,865.
Direct Expenses	4	Cash prizes				
	5	Noncash prizes		5,575.	7,625.	13,200.
	6	Rent/facility costs		5,156.	70.	5,226.
	7	Food and beverages	12,013.	3,560.	1,501.	17,074.
	8	Entertainment			250.	250.
	9	Other direct expenses	9,084.	1,378.	3,370.	13,832.
	10	Direct expense summary. Add lines 4 through 9 in column (d)				(49,582)
	11	Net income summary. Combine line 3, column (d), and line 10				40,283.

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 **York Hospital** Employer identification number **01-0212444**

Part I Financial Assistance and Certain Other Community Benefits at Cost

	Yes	No
1 a 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 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 free 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 discounted 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 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"/>	
5 a 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"/>
6 a 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

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)	1	1,975	3,625,949.		3,625,949.	2.36%
b Medicaid (from Worksheet 3, column a)	1	5,988	12,605,779.	7,707,588.	4,898,191.	3.19%
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs	2	7,963	16,231,728.	7,707,588.	8,524,140.	5.55%
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			404,842.	21,994.	382,848.	.25%
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)			52,940,765.	23,694,341.	29,246,424.	19.02%
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)						
j Total. Other Benefits			53,345,607.	23,716,335.	29,629,272.	19.27%
k Total. Add lines 7d and 7j	2	7,963	69,577,335.	31,423,923.	38,153,412.	24.82%

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 York Hospital

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

Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)

- 1 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9 **1**
- If "Yes," indicate what the CHNA report describes (check all that apply):
 - a A definition of the community served by the hospital facility
 - b Demographics of the community
 - c Existing health care facilities and resources within the community that are available to respond to the health needs of the community
 - d How data was obtained
 - e The health needs of the community
 - f Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups
 - g The process for identifying and prioritizing community health needs and services to meet the community health needs
 - h The process for consulting with persons representing the community's interests
 - i Information gaps that limit the hospital facility's ability to assess the community's health needs
 - j Other (describe in Part VI)
- 2 Indicate the tax year the hospital facility last conducted a CHNA: 20 12
- 3 In conducting its most recent CHNA, did the hospital facility take into account input from 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 **3**
- 4 Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI **4**
- 5 Did the hospital facility make its CHNA report widely available to the public? **5**
- If "Yes," indicate how the CHNA report was made widely available (check all that apply):
 - a Hospital facility's website
 - b Available upon request from the hospital facility
 - c Other (describe in Part VI)
- 6 If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply to date):
 - a Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA
 - b Execution of the implementation strategy
 - c Participation in the development of a community-wide plan
 - d Participation in the execution of a community-wide plan
 - e Inclusion of a community benefit section in operational plans
 - f Adoption of a budget for provision of services that address the needs identified in the CHNA
 - g Prioritization of health needs in its community
 - h Prioritization of services that the hospital facility will undertake to meet health needs in its community
 - i Other (describe in Part VI)
- 7 Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs **7**
- 8a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)? **8a**
- b If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax? **8b**
- c If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$ _____

	Yes	No
1	X	
3	X	
4		X
5	X	
7		X
8a		X
8b		

Part V Facility Information (continued) York Hospital

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 free 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 discounted care?		X
If "Yes," indicate the FPG family income limit for eligibility for discounted care: _____ %			
If "No," explain in Part VI the criteria the hospital facility used.			
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 checked="" type="checkbox"/> The policy was posted on the hospital facility's website		
b	<input type="checkbox"/> The policy was attached to billing invoices		
c	<input 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 checked="" 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 checked="" 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) **York Hospital**

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	X	

If "No," indicate why:

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

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		X
22		X

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.

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 V Facility Information (continued)

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

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

How many non-hospital health care facilities did the organization operate during the tax year? 8

Name and address	Type of Facility (describe)
1 York Hospital at Long Sands 127 Long Sands Road York, ME 03909	General Medical & Surgical
2 Wells Medical Services 112-114 Sanford Road Wells, ME 04090	General Medical & Surgical
3 South Berwick Medical Services 57 Portland Street South Berwick, ME 03908	General Medical & Surgical
4 Berwick Medical Services 4 Dana Drive Berwick, ME 03901	General Medical & Surgical
5 Kittery Medical Services 75 US Route 1 Kittery, ME 03904	General Medical & Surgical
6 York Outpatient Physical Therapy 16 Long Sands Road York, ME 03909	General Medical & Surgical
7 Kittery Medical Services 35 Walker Street Kittery, ME 03904	General Medical & Surgical
8 North Berwick Medical Services 23 Wells Street North Berwick, ME 03906	General Medical & Surgical

Schedule H (Form 990) 2012

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 3c: For FY 2013, the Hospital offered an 18% discount to self-pay patients and a reduction on hospital bills for patients with high deductibles.

Part I, Line 7: York Hospital has several hospital clinical services and hospital-owned physician practices. Per instructions for IRS Form 990, Schedule H, Worksheet 6, organizations may include any applicable physician practice that the Hospital subsidizes (i.e., operates at a loss) in the completing of Schedule H. Therefore, the Hospital has included the following hospital clinical services and hospital-owned physician practices that operate at a loss (i.e., are subsidized by the Hospital) and the associated costs of these practices:

a. Diabetes Education

b. Berwick Walk-In Clinic

c. Kittery Family Practice

d. Emergency Room (the Hospital has ER facilities located at the main hospital campus and also in Wells)

e. Home Health Agency

Part VI Supplemental Information

- f. Chemical Dependency Clinic
- g. OB/GYN Practice
- h. Surgical Practice
- i. Rheumatology Practice
- j. Neurology Practice
- k. Orthopedics Practice
- l. Urology Practice
- m. Physical Therapy Practice
- n. Pulmonary Practice
- o. Great Works Family Practice
- p. Gynecology Practice
- q. York Plastic Surgery Practice
- r. York Family Practice
- s. Webhannet Internal Medicine Practice
- t. Pediatric Practice
- u. Endocrinology Clinic
- v. Surgical Associates
- w. North Berwick Family Practice
- x. Cardiology Practice
- y. Kittery Walk-In
- z. Wells Walk-In

The above-listed hospital clinical services and hospital-owned physician practices have a community benefit (i.e. aggregate loss or subsidy from the Hospital) of approximately \$26.0 million. In addition, the community benefit does not take into account bad debts, charity care, or contractual adjustments. Thus, this community benefit of approximately \$29.0 million is a conservative figure that reconciles to the community benefit reported

Schedule H (Form 990)

Part VI Supplemental Information

on IRS Form 990, Schedule H, Part I, Line 7g, column e.

Form 990, Schedule H instructions/guidance contains a template (Worksheet 2) that may be used to determine the overall cost to charge ratio that could be applied throughout Schedule H in order to convert charges to cost. Where applicable, the Hospital has utilized Worksheet 2 for various calculations. The only areas where Worksheet 2 was not utilized for Part 1, Line 7 were the following:

a. Schedule H Worksheet 6, Subsidized Health Services (the supporting worksheet for Part I, Line 7g), the Hospital did not utilize Worksheet 2 when calculating the percentage used when determining the profit/loss of each hospital clinical service and hospital-owned physician practice. In addition, when compiling the subsidized hospital clinical services and hospital-owned physician practices listed in 1c above, the Hospital utilized the actual estimated costs on the modified Medicare cost report instead of applying the Worksheet 2 cost to charge percentage.

b. Schedule H Worksheet 3, Unreimbursed Medicaid and Other Means Tested Government Programs (the supporting schedule for Part I, Lines 7b and 7c), and Worksheet 6, Medicaid Allowable Costs for Subsidized Health Services, listed in line 1c above (which is part of the line 7g costs). The Hospital did not utilize the Worksheet 2 percentage when calculating the Medicaid allowable cost. Instead, the Hospital utilized the actual Medicaid filed cost report for the allowable costs.

Part I, Line 7, Column (f): The Bad Debt expense included on Form 990, Part IX, Line 25, Column (A), but subtracted for purposes of calculating

Part VI Supplemental Information

the percentage in this column is \$ 7730859.

Part II: Not Applicable

Part III, Line 4: The allowance for uncollectible accounts is provided based on an analysis by management of the collectability of outstanding balances. Management considers the age of outstanding balances and past collection efforts in determining the allowance for uncollectible accounts. Accounts deemed uncollectible are charged off against the established allowance.

Services rendered to individuals from whom payment is expected and ultimately not received are written off and included as part of the provision for uncollectible accounts.

Part III, Line 8: Form 990, Schedule H instructions/guidance contains a template (Worksheet 2) that may be used to determine the overall cost to charge ratio that could be applied throughout Schedule H in order to convert charges to cost. Where applicable, the Hospital has utilized Worksheet 2 for various calculations. The only areas where Worksheet 2 was not utilized for Part III, Line 8 was Schedule H, Worksheet B, Line 2 & 6, Medicare Allowable Costs and Payments Related to Subsidized Health Services. The Hospital utilized the Medicare cost report estimated cost and payment for these services.

The Hospital believes that its hospital clinical services, hospital-owned physician practices, emergency room, and home health agency listed above should be considered a community benefit, as community members benefit by

Part VI Supplemental Information

having easy access to these services, facilities, and programs which are both offered and subsidized. These facilities and programs are offered and thus subsidized through the Hospital.

Part III, Line 9b: Not applicable.

York Hospital:

Part V, Section B, Line 1j: A shared vision of a healthy Southern York County; socio-economic characteristics by town, and a community themes and strengths assessment.

York Hospital:

Part V, Section B, Line 3: Between March and June 2013, York Hospital undertook a community health needs assessment (CHNA) to identify the health needs of those living in the Hospital's entire service area. The Hospital worked together with Choose To Be Healthy (CTBH), a community health coalition with a membership purposefully comprised of those representing diverse community sectors, such as education, health care, business, municipalities, law enforcement, etc. A task force of community members representative of the service area led and formed the assessment. Care was taken to include task force members who represent those populations within the service area with poorer health outcomes, including low-income families, the elderly, and the mentally ill. The task force met monthly, or more frequently, to oversee every facet of conducting the CHNA. Organizations and group members consulted include:

-York Hospital's Leader for Emergency Care

-Counseling Services, Inc. and Choose to Be Healthy Coalition

Part VI Supplemental Information

-York community members

-York Hospital Trustees

-York community activist and local writer

-Public Health Foundation

-Eliot community member

-York County Community Action Corporation, Inc.

-Southern Maine Area Agency on Aging

York Hospital:

Part V, Section B, Line 7: Although identified as a need, the issue of childhood obesity was not chosen as an objective to address by the Hospital. This issue is currently being addressed by the York District Public Health Council's Obesity Prevention Committee which is funded with a federal community transformation grant. Also, although identified as a need, the issue of adolescent alcohol and drug abuse was not chosen as an objective to address as this issue is being addressed by the Choose to Be Healthy Coalition's drug free community grant activities. The Hospital supports and closely collaborates with both the community transformation grant and the drug free community grant activities with staff time and other hospital resources.

York Hospital:

Part V, Section B, Line 11: For FY 2013, the Hospital offered an 18% discount to self-pay patients and a HELP Financial Assistance Program offered to patients that had no insurance or were underinsured. Reduction of their hospital bills was based on household income and the amount owed.

Part VI Supplemental Information

York Hospital:

Part V, Section B, Line 14g: The patients' billing statement lists the phone number and website address to use for more information regarding the Financial Assistance Program.

York Hospital:

Part V, Section B, Line 20d: The Hospital provides services at no charge to patients who are eligible under the financial aid policy.

Part VI, Line 2: Between March and June 2013, York Hospital undertook a community health needs assessment to identify the health needs of those living in the Hospital's entire service area. The Hospital worked together with Choose To Be Healthy (CTBH), a community health coalition with a membership purposefully comprised of those representing diverse community sectors, such as education, health care, business, municipalities, law enforcement, etc. In 2010, CTBH completed a health needs assessment utilizing the Mobilization for Action through Planning and Partnerships model developed by the National Organization of City and County Health Officials. York Hospital's CHNA adapted this model, updating the previous assessment. A task force of community members representative of the service area formed the assessment. Care was taken to include task force members who represent those populations within the service area with poorer health outcomes, including low-income families, the elderly, and the mentally ill. The assessment concluded with the development of

Part VI Supplemental Information

Recommendations for Action to address the identified needs.

The assessment gathered health status data available in the 2010 Census, the Maine Office of Data Research and Vital Statistics, the Maine Center for Disease Control, the Maine Cancer Registry, the Maine and National Behavioral Risk Factor Surveillance System, the OneMaine Health Needs Assessment, and the Maine Integrated Youth Health Survey. In most cases, data was not available for the nine-town service area as an aggregate. For this reason, York County data was used. Additionally, community members were surveyed regarding community health themes and strengths using an online questionnaire adapted from the National Association of City and Country Health Officials' Mobilizing for Action through Planning and Partnerships model. Finally, two focus groups were conducted, one of school nurses representing all five school systems in the hospital service area, and one of people living with severe and persistent mental illness.

Part VI, Line 3: The patients' billing statement lists the phone number and website address to use for more information regarding the Financial Assistance Program. The York Hospital Assistance Program guidelines are posted at patient registration areas. The York Hospital Financial Assistance Program is set forth on the Hospital's website.

Part VI, Line 4: York Hospital's primary service area includes the following communities in Southern York County Maine: Berwick, Eliot, Kittery, North Berwick, Ogunquit, South Berwick, Wells, and York. The Hospital's secondary service area includes: Kennebunk and Lebanon, Maine, and Portsmouth, Dover, Rollinsford, and Somersworth, New Hampshire. Approximately 6% of York Hospital patients utilize Medicaid and

Part VI Supplemental Information

approximately 50% of York Hospital patients utilize Medicare. According to the United States Department of Commerce, in 2012, 11.4% of York County Residents lived in poverty and 14.7% of children between the ages of 0-17 lived in poverty (<http://www.census.gov/did/www/saipe/data/interactive/>).

Part VI, Line 5: The board of trustees is made up of members from all communities served by York Hospital. All medical staff are eligible to participate if they meet privileging criteria. All hospital profits are reinvested in the facilities, equipment and services for the communities.

Part VI, Line 6: Not Applicable.

Part VI, Line 7, List of States Receiving Community Benefit Report:

ME

York Hospital

Audited Financial Statements

Years Ended June 30, 2013 and 2012

With Independent Auditors' Report

BAKER NEWMAN NOYES

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Board of Trustees
York Hospital

We have audited the accompanying financial statements of York Hospital (the Hospital), which comprise the balance sheets as of June 30, 2013 and 2012, and the related statements of operations and changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements referred to above present fairly, in all material respects, the financial position of the Hospital as of June 30, 2013 and 2012, and the results of its operations, changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



Portland, Maine
October 10, 2013

Limited Liability Company

YORK HOSPITAL

BALANCE SHEETS

June 30, 2013 and 2012

ASSETS

	<u>2013</u>	<u>2012</u>
Current assets:		
Cash and cash equivalents	\$ 238,890	\$ 871,178
Accounts receivable, less allowance for uncollectible accounts of approximately \$4,413,000 in 2013 and \$4,807,000 in 2012	22,816,269	20,018,973
Other receivables	564,839	260,513
Inventories	3,408,904	3,748,911
Prepaid expenses and other current assets	1,150,659	1,032,615
Estimated third-party payor settlements (note 3)	1,610,865	-
Trustee held funds (notes 4 and 7)	<u>1,784,753</u>	<u>1,733,219</u>
Total current assets	31,575,179	27,665,409
Bond issuance costs, less amortization	178,494	196,288
Investments in marketable securities (note 5)	25,174,008	24,706,146
Temporarily restricted assets (note 5)	6,507,861	5,951,564
Permanently restricted assets (note 5)	2,879,524	2,618,237
Other investments (note 10)	268,454	319,241
Long-term estimated third-party payor settlements (note 3)	-	3,900,000
Assets held on behalf of third-party (notes 5 and 8)	926,101	887,672
Property, plant and equipment (note 7):		
Land and improvements	8,156,639	8,132,685
Buildings	58,850,481	52,151,227
Equipment	45,606,782	45,016,162
Construction in progress	<u>1,476,941</u>	<u>7,330,201</u>
	114,090,843	112,630,275
Less allowances for depreciation	<u>(65,853,003)</u>	<u>(61,788,042)</u>
	<u>48,237,840</u>	<u>50,842,233</u>
Total assets	<u>\$115,747,461</u>	<u>\$117,086,790</u>

LIABILITIES AND NET ASSETS

	<u>2013</u>	<u>2012</u>
Current liabilities:		
Accounts payable and accrued expenses	\$ 7,249,097	\$ 8,804,774
Accrued payroll and amounts withheld	6,612,286	6,573,451
Accrued interest payable	381,079	404,624
Estimated third-party payor settlements (note 3)	-	4,099,465
Current portion of long-term obligations	<u>1,602,301</u>	<u>1,460,000</u>
Total current liabilities	15,844,763	21,342,314
Long-term obligations, less current portion (note 7)	18,708,628	17,877,565
Long-term pension and other obligations (note 10)	7,536,793	10,211,032
Assets held on behalf of third-party (note 8)	<u>926,101</u>	<u>887,672</u>
Total liabilities	43,016,285	50,318,583
Commitments and contingencies (notes 7, 10 and 11)		
Net assets:		
Unrestricted	63,343,791	58,198,406
Temporarily restricted (note 6)	6,507,861	5,951,564
Permanently restricted (note 6)	<u>2,879,524</u>	<u>2,618,237</u>
Total net assets	72,731,176	66,768,207
Total liabilities and net assets	<u>\$115,747,461</u>	<u>\$117,086,790</u>

See accompanying notes.

YORK HOSPITAL

STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS

Years Ended June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Unrestricted revenues, gains and other support:		
Net patient service revenues (net of contractual allowances and discounts) (note 9)	\$154,702,227	\$158,288,461
Provision for uncollectible accounts	<u>(7,730,859)</u>	<u>(7,171,713)</u>
Net patient service revenues, less provision for uncollectible accounts	146,971,368	151,116,748
Other revenue (note 3)	4,679,385	2,712,787
Net assets released from restrictions used for operations	<u>257,115</u>	<u>291,286</u>
Total revenues, gains and other support	151,907,868	154,120,821
Expenses:		
Homecare	2,772,614	2,798,458
Women, infant and kids	5,666,588	5,796,377
Cardiovascular care	11,172,960	11,854,494
Diagnostic lab	6,165,701	6,532,652
Diagnostic imaging	5,768,573	5,708,769
Oncology and breast care	10,853,218	10,753,896
Wound care	1,250,960	1,483,553
Surgery and special procedures	21,798,776	23,142,923
Rehabilitative care	4,599,907	5,364,727
Integrated medicine	33,117,845	33,957,513
Patient quality and safety	533,010	511,731
Pharmaceutical care	10,744,494	10,794,870
Care access	4,588,892	2,738,434
MyHealth@Wells	619,327	11,654
MyHealth@Berwick	664,598	790,182
MyHealth@Kittery	803,453	-
Fundraising	5,656,283	6,101,054
Other expenses	1,078,448	1,291,531
Administrative operations	11,426,431	12,296,439
Financial care	9,865,260	9,992,208
Health care provider tax (note 3)	3,503,004	2,981,219
Interest	<u>956,842</u>	<u>859,231</u>
Total expenses	<u>153,607,184</u>	<u>155,761,915</u>
Operating loss	(1,699,316)	(1,641,094)
Other income (expenses):		
Recognized gain (loss) in fair value of investments (note 5)	3,012,742	(310,800)
Unrestricted contributions	502,964	575,414
Investment and other income	11,465	82,170
Loss on disposal of property, plant and equipment	<u>(3,397)</u>	<u>(67,968)</u>
Total other income (expenses)	<u>3,523,774</u>	<u>278,816</u>
Excess (deficiency) of revenues over expenses	1,824,458	(1,362,278)

Continued next page.

YORK HOSPITAL

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

Years Ended June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Unrestricted net assets (continued):		
Excess (deficiency) of revenues over expenses	\$ 1,824,458	\$ (1,362,278)
Net assets released for property, plant and equipment	659,348	821,062
Adjustment to long-term pension obligations (note 10)	<u>2,661,579</u>	<u>(3,446,831)</u>
Increase (decrease) in unrestricted net assets	5,145,385	(3,988,047)
Temporarily restricted net assets:		
Investment income	95,364	99,316
Net realized gain on investments	160,412	85,869
Donations	669,672	472,633
Income and gains transferred from permanently restricted	71,393	29,073
Net assets released from restrictions	(916,463)	(1,112,348)
Change in net unrealized gains and losses on investments	<u>475,919</u>	<u>(154,666)</u>
Increase (decrease) in temporarily restricted net assets	556,297	(580,123)
Permanently restricted net assets:		
Investment income	41,033	44,262
Net realized gain on investments	65,608	43,846
Donations	-	20,000
Income and gains transferred to temporarily restricted	(71,393)	(29,073)
Income and gains transferred to unrestricted	(14,150)	(13,456)
Change in net unrealized gains and losses on investments	<u>240,189</u>	<u>(76,449)</u>
Increase (decrease) in permanently restricted net assets	<u>261,287</u>	<u>(10,870)</u>
Increase (decrease) in net assets	5,962,969	(4,579,040)
Net assets beginning of year	<u>66,768,207</u>	<u>71,347,247</u>
Net assets end of year	<u>\$ 72,731,176</u>	<u>\$ 66,768,207</u>

See accompanying notes.

YORK HOSPITAL

STATEMENTS OF CASH FLOWS

Years Ended June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ 5,962,969	\$ (4,579,040)
Adjustments to reconcile increase (decrease) in net assets to net cash (used) provided by operating activities:		
Depreciation and amortization	4,927,202	5,534,301
Restricted donations and investment income	(806,069)	(636,211)
Change in minimum pension liability	(2,823,451)	3,001,217
Change in net realized and unrealized (gains) and losses on investments	(3,954,870)	412,200
Accretion of bond premium	(28,287)	(28,287)
Loss on disposal of property, plant and equipment	3,397	67,968
Changes in operating assets and liabilities:		
Accounts receivable, net	(2,797,296)	(1,982,578)
Other receivables and inventories	35,681	(228,881)
Prepaid expenses and other current assets	(118,044)	124,121
Accounts payable and accrued expenses	(646,677)	23,239
Accrued payroll and amounts withheld	38,835	162,638
Deferred compensation plans	149,212	368,555
Estimated third-party payor settlements	(1,810,330)	1,024,606
Accrued interest payable	<u>(23,545)</u>	<u>(22,108)</u>
Net cash (used) provided by operating activities	(1,891,273)	3,241,740
Cash flows from investing activities:		
Additions to property, plant and equipment	(4,005,013)	(9,660,899)
Proceeds from sales of property, plant and equipment	799,615	3,725
Purchase of investments	(13,801,088)	(14,024,543)
Proceeds from sales of investments	16,143,075	15,813,978
Assets held on behalf of third party	(38,429)	38,321
Trustee held funds	(51,534)	90,228
Change in other investments	<u>50,787</u>	<u>4,831</u>
Net cash used by investing activities	(902,587)	(7,734,359)
Cash flows from financing activities:		
Proceeds from issuance of long-term debt	2,500,000	-
Proceeds from restricted donations and restricted investment income	1,133,506	1,156,840
Assets held on behalf of third party	38,429	(38,321)
Repayment of long-term obligations	(1,498,349)	(1,486,752)
Debt issuance costs	<u>(12,014)</u>	<u>-</u>
Net cash provided (used) by financing activities	<u>2,161,572</u>	<u>(368,233)</u>
Net decrease in cash and cash equivalents	(632,288)	(4,860,852)
Cash and cash equivalents at beginning of year	<u>871,178</u>	<u>5,732,030</u>
Cash and cash equivalents at end of year	\$ <u>238,890</u>	\$ <u>871,178</u>

Supplemental schedule:

At June 30, 2012, approximately \$909,000 of invoices related to property, plant and equipment were included in accounts payable and accrued expenses.

See accompanying notes.

YORK HOSPITAL

NOTES TO FINANCIAL STATEMENTS

June 30, 2013 and 2012

1. Organization

York Hospital (the Hospital) is a not-for-profit health care center established to provide health care services to the York County area. The Hospital, which offers satellite services in Wells, Kittery, Berwick, North Berwick and South Berwick, provides both inpatient and outpatient acute services and has 79 licensed acute beds. To better define the philosophy of the Hospital in providing health care services, the Board of Trustees and Hospital management have developed a Mission Statement which is as follows:

Mission Statement

To be the best hospital, our first responsibility is to our patients and their families – to provide the highest quality, most sensitive, personal care. All of our efforts must be compassionate, prompt and focused on the individual's needs and desires. Judgment through the patient's eyes is the true test of the value of all we do.

We are only as good as our people – each individual and each contribution is equally important. We must treat each individual fairly. We must all collaborate. Compensation must be fair. Each individual must feel free to express opinions and make suggestions. We must provide opportunity for development.

We and our medical staff work as one to serve our patients. We must respect and value their contribution. We must support their efforts, and they ours.

We are responsible to our larger community – it judges how well we serve. We must listen and respond. We must be innovative. Our costs must be fair. Our service is offered to all.

Community Service

The Hospital completes its mission in serving the community in many different ways, some direct and measurable, while others are less tangible in nature although not any less important.

In accordance with the mission of the Hospital, it is the intent of the Hospital to provide exceptional care to all of its patients. No person shall be denied medically necessary services regardless of their ability to pay. In order to assure this service to the community, the Hospital has established certain policies to define charity services which are based upon recognized poverty income levels established by the federal government. The Hospital has adopted a more lenient policy by recognizing eligibility for charity care services at or below 200% of the federal poverty guidelines.

The Hospital 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.

YORK HOSPITAL

NOTES TO FINANCIAL STATEMENTS

June 30, 2013 and 2012

2. Accounting Policies

The accounting policies that affect the more significant elements of the financial statements of the Hospital are summarized below:

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The more significant areas which are affected by the use of estimates include the allowance for uncollectible accounts, reserves for self-insurance and estimated third-party payor settlements.

Concentration of Credit Risk

Financial instruments which subject the Hospital to credit risk consist of cash equivalents, accounts receivable and investments. The risk with respect to cash equivalents is minimized by the Hospital's policy of investing in financial instruments with short-term maturities issued by highly rated financial institutions. The Hospital maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Hospital has not experienced any losses in such accounts and believes it is not exposed to any significant risk at June 30, 2013. Net accounts receivable represent net receivables from patients and third-party payors for services provided by the Hospital. Patient accounts receivable from government-related programs comprised 52% and 50% of receivables at June 30, 2013 and 2012, respectively. The Hospital's investments consist of diversified investment securities and, while subject to market risk, do not represent any significant concentrations in any sectors.

Net Patient Service Revenue

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges and per diem 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 rendered and adjusted in future periods as final settlements are determined. Changes in these estimates are reflected in the financial statements in the year in which they occur.

Services rendered to individuals from whom payment is expected and ultimately not received are written off and included as part of the provision for uncollectible accounts.

Activities directly associated with services related to acute and ancillary care services are considered to be operating activities and are included as patient service revenue. Revenue which is not related to patient medical care and which is normal to the day-to-day operations of the Hospital is included in other revenue.

YORK HOSPITAL

NOTES TO FINANCIAL STATEMENTS

June 30, 2013 and 2012

2. Accounting Policies (Continued)

Charity Care

The Hospital provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue.

Charity care is measured based on services provided at established rates but is not included in net patient service revenue. Costs and expenses incurred in providing these services are included in operating expenses. The Hospital determines the costs associated with providing charity care by calculating a ratio of cost to gross charges, and then multiplying that ratio by the gross uncompensated charges associated with providing care to patients eligible for free care. Under this methodology, the estimated costs of caring for charity care patients for the years ended June 30, 2013 and 2012 were approximately \$3,825,000 and \$3,042,000, respectively.

Excess (Deficiency) of Revenues Over Expenses

The statement of operations and changes in net assets includes excess (deficiency) of revenues over expenses. Changes in unrestricted net assets which are excluded from excess (deficiency) of revenues over expenses, consistent with industry practice, include the adjustment to long-term pension obligations, and net assets released for property, plant and equipment.

Cash and Cash Equivalents

All highly liquid savings deposits and investments with maturities of three months or less when purchased are considered to be cash equivalents.

Accounts Receivable and the Allowance for Uncollectible Accounts

Accounts receivable are reduced by an allowance for uncollectible accounts. In evaluating the collectibility of accounts receivable, the Hospital analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for uncollectible accounts and provision for uncollectible accounts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for uncollectible accounts. For receivables associated with services provided to patients who have third-party coverage, the Hospital analyzes contractually due amounts and provides an allowance for uncollectible accounts and a provision for uncollectible accounts, if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payor has not yet paid, or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely). For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Hospital records a provision for uncollectible accounts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for uncollectible accounts.

YORK HOSPITAL

NOTES TO FINANCIAL STATEMENTS

June 30, 2013 and 2012

2. Accounting Policies (Continued)

The Hospital's allowance for uncollectible accounts for gross patients accounts receivable was approximately 9% at June 30, 2013 and 2012, respectively. The Hospital's provision for uncollectible accounts was \$7,230,859 in 2013 and \$7,171,713 in 2012.

Investments

All investments which are publicly traded are measured at fair market value based on market quotations. Other securities for which no such quotations or valuations are readily available are carried at estimated fair value.

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

Investment income or loss, including realized and unrealized gains and losses on investments, interest and dividends, is included in the excess (deficiency) of revenues over expenses unless the income or loss is restricted by donor or law. Realized gains or losses on the sale of investment securities are determined by the specific identification method.

Investment income earned on unrestricted investments is reported as nonoperating gains. Investment income on restricted investments is reported as nonoperating gains unless specifically restricted by the donor or state law, in which case it is reported as an increase in temporarily or permanently restricted net assets.

Investments in nonmarketable investments are generally carried at fair value estimated by management based on fair values provided by external investment managers. The Hospital reviews and evaluates the valuations provided by the investment managers and believes that these valuations are a reasonable estimate of fair value at June 30, 2013, but are subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market for the investments existed and such differences could be material. The amount of gain or loss associated with these investments is reflected in the accompanying financial statements based on information provided by the management of the fund. The Hospital believes that the carrying amount of its nonmarketable investments of \$7,262,693 is a reasonable estimate of fair value as of June 30, 2013 (Note 5).

Inventories

Inventories of supplies and pharmaceuticals are carried at average cost.

YORK HOSPITAL

NOTES TO FINANCIAL STATEMENTS

June 30, 2013 and 2012

2. Accounting Policies (Continued)

Bond Issuance Costs

Bond issuance costs represent costs incurred in connection with debt related to Maine Health and Higher Educational Facilities Authority (MHHEFA) revenue bonds and are being amortized over the terms of the bonds based upon the bonds outstanding method.

Other Investments

Other investments primarily represent interests in certain real estate not used for Hospital operating purposes.

Property, Plant and Equipment

Property, plant and equipment is stated at cost or at fair value at the date of donation. The Hospital's policy is to capitalize expenditures for major improvements and additions and charge maintenance and repairs currently for expenditures which do not extend the useful lives of the related assets. Depreciation is computed using the straight-line method in a manner which is intended to amortize the cost of the assets over their estimated useful lives. Assets which have been purchased but not yet placed in service are included in construction in progress and no depreciation expense is recorded.

Temporarily and Permanently Restricted Net Assets

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

Donor-Restricted Gifts

Unconditional promises to give cash and other assets to the Hospital are reported at fair value at the date the promise is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of operations and changes in net assets as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying financial statements.

Pension Plans

The Hospital sponsors a noncontributory defined benefit pension plan which covered substantially all employees through December 31, 2008, the date the plan was frozen. The Hospital's funding policy is to contribute annually at a rate intended to provide for the cost of benefits earned during the year. The plan benefits are based on years of service and the employee's career average compensation during employment. The Hospital had met its funding requirement in 2013 and 2012.

YORK HOSPITAL

NOTES TO FINANCIAL STATEMENTS

June 30, 2013 and 2012

2. Accounting Policies (Continued)

The Hospital also sponsors a defined contribution 401(k) plan available to all employees. Employee contributions under the 401(k) plan are matched up to a maximum of 7% of the employee's current year compensation. Employer contributions in the 401(k) vest immediately. Total expense for the Hospital under the 401(k) plan was approximately \$1,135,000 and \$949,000 for the years ended June 30, 2013 and 2012, respectively. The Hospital's policy under the defined contribution plan is to recognize expense as incurred and fund its portion of amounts due under the plan on a current basis.

Self-Insured Programs

The Hospital self-insures its unemployment risk and employee health benefits. The Hospital has estimated and recorded its obligations under these programs. As experience develops, any deviations from estimated amounts will be recorded in current operations. Stop-loss insurance coverage on an individual claims basis is in effect for the employee health benefits which mitigates the Hospital's exposure to loss, however, the Hospital has not obtained aggregate stop-loss insurance coverage.

Total expense for health benefits was approximately \$9,516,000 and \$8,882,000 in 2013 and 2012, respectively, of which approximately \$5,585,000 and \$6,210,000, respectively, represented services rendered by the Hospital for which revenue was recorded.

The Hospital also participates in a worker's compensation insurance plan through an industry cooperative. Current funding levels are considered to be adequate to meet future claims. Excess insurance has been purchased to mitigate the cooperative's exposure on an aggregate and individual basis.

Advertising Expense

Advertising costs are expensed as incurred and total approximately \$582,000 and \$658,000 in fiscal 2013 and 2012, respectively.

Income Taxes

The Hospital is a not-for-profit corporation and is tax-exempt under Section 501(c)(3) of the Internal Revenue Code.

Tax-exempt organizations could be required to record an obligation for income taxes as the result of a tax position they have historically taken on various tax exposure items including unrelated business income or tax status. Under guidance issued by the Financial Accounting Standards Board, assets and liabilities are established for uncertain tax positions taken or positions expected to be taken in income tax returns when such positions are judged to not meet the "more-likely-than-not" threshold, based upon the technical merits of the position. Estimated interest and penalties, if applicable, related to uncertain tax positions are included as a component of income tax expense. The Hospital has evaluated the positions taken on its filed tax returns. The Hospital has concluded no uncertain income tax positions exist at June 30, 2013. The Hospital's tax years from 2010 through 2013 are open and subject to examination.

YORK HOSPITAL

NOTES TO FINANCIAL STATEMENTS

June 30, 2013 and 2012

2. Accounting Policies (Continued)

Reclassifications

Certain amounts in the 2012 statements of operations have been reclassified to reflect the adoption of changes to accounting principles generally accepted in the United States of America related to the presentation of the provision for uncollectible accounts, which has been reclassified from an operating expense to a deduction from net patient service revenue, net of contractual allowances and discounts. There was no impact to the balance sheet or the excess (deficiency) of revenues over expenses attributable to the Hospital for all periods presented as a result of this change.

Additionally, certain other 2012 amounts have been reclassified to conform with the current year presentation.

Subsequent Events

Events occurring after the balance sheet date are evaluated by management to determine whether such events should be recognized or disclosed in the financial statements. Management has evaluated subsequent events through October 10, 2013 which is the date the financial statements were available to be issued.

3. Estimated Third-Party Payer Settlements

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

Medicare

Inpatient and outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates. These rates vary according to a patient classification system that is based on clinical diagnosis and other factors. The Hospital files an annual cost report with the Medicare program after the completion of each fiscal year to report activity applicable to the Medicare program and to determine any final settlements.

MaineCare

MaineCare, the State of Maine's Medicaid program, is a medical assistance program offered by the State of Maine Department of Human Services. Inpatient and outpatient services rendered to MaineCare program beneficiaries are reimbursed under a variety of methodologies, including prospective rates, fee schedules and cost reimbursement. The Hospital is reimbursed a prospective amount during the year with final settlement determined after submission of an annual cost report by the Hospital and audit thereof by MaineCare.

The State of Maine enacted legislation establishing a health care provider tax (State tax). As a result, the Hospital was subjected to and recorded \$3,503,004 and \$2,981,219 of State tax in 2013 and 2012, respectively.

YORK HOSPITAL

NOTES TO FINANCIAL STATEMENTS

June 30, 2013 and 2012

3. Estimated Third-Party Payor Settlements (Continued)

In 2003, the State of Maine enacted legislation to provide affordable health insurance to small businesses and individuals and to control health care costs. This legislation became known as Dirigo Health. The law provides for access to health care coverage through the expansion of eligibility for the MaineCare program and also the development of an affordable health care plan with sliding scale premium subsidies. The law also covers quality and cost containment strategies such as a State Health Plan, voluntary caps on cost and operating margins of hospitals and insurers, and revised Certificate of Need regulations including a capital investment fund.

As of June 30, 2013 and 2012, the Hospital has amounts due from the State of Maine under the MaineCare program of approximately \$3,900,000. The amounts recorded have been determined based upon applicable regulations and the Hospital expects that these amounts will ultimately be paid in full. Due to the complex nature of such regulations, there is at least a reasonable possibility that recorded estimates will change by a material amount. In September 2013, the Hospital received an interim payment of \$3,900,000 from the State of Maine.

Other

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

The estimated third-party payor settlements reflected on the balance sheets represent the estimated net amounts to be paid or received under reimbursement contracts with the Centers for Medicare and Medicaid Services (Medicare), Anthem Blue Cross and the Maine Department of Human Services (MaineCare). As of June 30, 2013, settlements for the Hospital have been finalized through fiscal 2012 with Blue Cross, fiscal 2009 with Medicare and fiscal 2004 with MaineCare.

During 2012, net patient service revenues in the statements of operations increased by approximately \$1,300,000 due to favorable settlements and changes in prior year estimated third-party settlements.

Revenues from the Medicare and MaineCare programs accounted for approximately 47% and 7%, respectively, of the Hospital's gross patient service revenues for the year ended June 30, 2013 and 48% and 7%, respectively, for 2012. Laws and regulations governing the Medicare and MaineCare programs are complex and subject to interpretation. Compliance with such laws and regulations can be subject to government review and interpretation as well as significant regulatory action including fines, penalties and exclusion from the Medicare and MaineCare programs. The Hospital believes that it is in compliance with all applicable laws and regulations.

Electronic Health Records Incentive Payments

The CMS Electronic Health Records (EHR) incentive programs provide a financial incentive for the "meaningful use" of certified EHR technology to achieve health and efficiency goals. To qualify for incentive payments, eligible organizations must successfully demonstrate meaningful use of certified EHR technology through various stages defined by CMS. The Hospital filed their meaningful use attestations with CMS. Revenue totaling approximately \$2,400,000 associated with these meaningful use attestations was recorded within other revenues for the year ended June 30, 2013.

YORK HOSPITAL

NOTES TO FINANCIAL STATEMENTS

June 30, 2013 and 2012

4. Trustee Held Funds

As part of the note agreements the Hospital has with MHHEFA in conjunction with certain bond issues (see Note 7), the Hospital is required to fund and maintain certain bond funds. The total amounts held in these funds by a trustee are as follows:

	<u>2013</u>	<u>2012</u>
Debt service funds:		
2010B	\$ 357,878	\$ 321,628
2009A	162,938	164,963
2008D	196,406	189,031
2008C	134,915	131,490
2007A	388,209	387,909
2006F	268,108	262,808
2004B	157,169	154,362
2003C	<u>119,130</u>	<u>121,028</u>
	<u>\$1,784,753</u>	<u>\$1,733,219</u>

All trustee held funds consist of cash and cash equivalents.

5. Investments and Restricted Assets

Unrestricted and restricted investments, along with temporarily restricted donations receivable, total as follows at fair value:

	<u>2013</u>	<u>2012</u>
Unrestricted investments	\$19,022,964	\$19,288,546
Unrestricted board designated	6,151,044	5,417,600
Temporarily restricted	6,344,452	5,460,718
Temporarily restricted donations receivable	163,409	490,846
Permanently restricted	<u>2,879,524</u>	<u>2,618,237</u>
	34,561,393	33,275,947
Less donations receivable	<u>(163,409)</u>	<u>(490,846)</u>
Total Hospital investments	34,397,984	32,785,101
Assets held on behalf of third party	<u>926,101</u>	<u>887,672</u>
Total investments	<u>\$35,324,085</u>	<u>\$33,672,773</u>

YORK HOSPITAL

NOTES TO FINANCIAL STATEMENTS

June 30, 2013 and 2012

5. Investments and Restricted Assets (Continued)

Investment and Spending Policies

The Hospital's investment objective is to preserve its purchasing power, while providing a continuing and stable funding source to support the current and future mission. To accomplish this objective, the investment portfolio seeks to generate a total return that will exceed not only its operating but also all expenses associated with managing the investments and the eroding effects of inflation. It is the intention that all total return (interest income, dividends, realized gains and unrealized gains), above and beyond the amount approved for expenditure or distribution, will be reinvested. Investments will be managed on a total return basis, consistent with the applicable standard of conduct set forth in the *Uniform Prudent Management of Institutional Funds Act (UPMIFA)*.

The Hospital pools the majority of its investments. Investment income and gains or losses are aggregated and allocated equitably to the funds participating in the pool. Investment income and gains and (losses) consisted of the following for the years ended June 30:

	<u>2013</u>	<u>2012</u>
Interest and dividend income	\$ 376,825	\$ 419,841
Realized gains on sales of securities, net	<u>1,006,847</u>	<u>591,653</u>
	1,383,672	1,011,494
Change in net unrealized gains on investments	<u>2,948,023</u>	<u>(1,003,853)</u>
	<u>\$4,331,695</u>	<u>\$ 7,641</u>

Fair Value Measurements

GAAP has established a fair value hierarchy that results in classification of assets and liabilities within three different levels. Financial assets and liabilities carried at fair value are classified and disclosed in one of the following three categories:

Level 1 – Assets or liabilities classified as Level 1 represent items that are traded in active exchange markets and for which valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities. Assets classified as Level 1 include cash and cash equivalents, mutual funds and marketable equity securities.

Level 2 – Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities. Assets classified as Level 2 include U.S. Government and agency bonds, and municipal and corporate bonds.

YORK HOSPITAL

NOTES TO FINANCIAL STATEMENTS

June 30, 2013 and 2012

5. Investments and Restricted Assets (Continued)

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

In determining the appropriate levels, the Hospital performs a detailed analysis of the assets and liabilities. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3.

The following table provides the assets carried at fair value as of June 30:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<u>2013</u>				
Cash and cash equivalents	\$ 243,188	\$ 243,188	\$ –	\$ –
Equity mutual funds	11,482,896	11,482,896	–	–
International equity mutual funds	4,837,022	4,837,022	–	–
U.S. government and agency bonds	1,232,317	–	1,232,317	–
Municipal bonds	1,489,941	–	1,489,941	–
Corporate bonds	2,260,309	–	2,260,309	–
Marketable equity securities:				
Healthcare	394,610	394,610	–	–
Financial	1,219,339	1,219,339	–	–
Consumer staples	1,018,743	1,018,743	–	–
Consumer discretionary	694,016	694,016	–	–
Materials	537,004	537,004	–	–
Energy	509,775	509,775	–	–
Information technology	1,315,424	1,315,424	–	–
Industrial	76,545	76,545	–	–
ADR's	750,263	750,263	–	–
Alternative investments	<u>7,262,693</u>	<u>–</u>	<u>–</u>	<u>7,262,693</u>
	<u>\$35,324,085</u>	<u>\$23,078,825</u>	<u>\$4,982,567</u>	<u>\$7,262,693</u>

YORK HOSPITAL

NOTES TO FINANCIAL STATEMENTS

June 30, 2013 and 2012

5. Investments and Restricted Assets (Continued)

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<u>2012</u>				
Cash and cash equivalents	\$ 941,720	\$ 941,720	\$ -	\$ -
Equity mutual funds	10,458,820	10,458,820	-	-
International equity mutual funds	4,324,463	4,324,463	-	-
U.S. government and agency bonds	1,520,327	-	1,520,327	-
Municipal bonds	1,954,792	-	1,954,792	-
Corporate bonds	2,833,574	-	2,833,574	-
Marketable equity securities:				
Healthcare	274,788	274,788	-	-
Financial	830,598	830,598	-	-
Consumer staples	802,555	802,555	-	-
Consumer discretionary	688,838	688,838	-	-
Materials	464,168	464,168	-	-
Energy	228,260	228,260	-	-
Information technology	809,316	809,316	-	-
Industrial	161,280	161,280	-	-
ADR's	378,572	378,572	-	-
Alternative investments	<u>7,000,702</u>	<u>-</u>	<u>-</u>	<u>7,000,702</u>
	<u>\$33,672,773</u>	<u>\$20,363,378</u>	<u>\$6,308,693</u>	<u>\$7,000,702</u>

The change in fair value of Level 3 alternative investments is due to the following:

Balance at June 30, 2011	\$7,072,282
Purchases	253,272
Sales	(39,201)
Net realized and unrealized loss on investments	<u>(285,651)</u>
Balance at June 30, 2012	<u>\$7,000,702</u>
Balance at June 30, 2012	\$7,000,702
Sales	(189,997)
Net realized and unrealized gains on investments	<u>451,988</u>
Balance at June 30, 2013	<u>\$7,262,693</u>

YORK HOSPITAL

NOTES TO FINANCIAL STATEMENTS

June 30, 2013 and 2012

5. Investments and Restricted Assets (Continued)

Donations Receivable

Donations receivable consist of unconditional promises for contributions receivable in subsequent years. The following represents amounts promised to be contributed to the Hospital during the years ended June 30:

	<u>2013</u>	<u>2012</u>
Gross donations receivable	\$238,409	\$ 685,846
Allowances for uncollectible donations	<u>(75,000)</u>	<u>(195,000)</u>
Net donations receivable	<u>\$163,409</u>	<u>\$ 490,846</u>

Gross donations are scheduled to be received in the following years: 2014 - \$141,414; 2015 - \$53,259; 2016 - \$8,287; 2017 - \$5,329; and 2018 - \$30,120.

6. Temporarily Restricted and Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at June 30:

	<u>2013</u>	<u>2012</u>
Contributions receivable	\$ 163,409	\$ 490,846
Plant replacement	5,675,813	5,046,623
Home health	61,728	54,763
Nursing education	369,209	232,391
Breast cancer	<u>237,702</u>	<u>126,941</u>
	<u>\$6,507,861</u>	<u>\$5,951,564</u>

Permanently restricted net assets at June 30 are restricted to:

	<u>2013</u>	<u>2012</u>
Net assets to be held in perpetuity with gains reinvested and income temporarily restricted	\$1,866,323	\$1,692,555
Net assets with gains and income temporarily restricted	380,785	380,785
Net assets with gains and a portion of income retained as permanently restricted and a portion of income unrestricted	<u>632,416</u>	<u>544,897</u>
	<u>\$2,879,524</u>	<u>\$2,618,237</u>

Donor restricted net assets are managed in accordance with donor intent and are invested in a portfolio of stocks and bonds.

YORK HOSPITAL

NOTES TO FINANCIAL STATEMENTS

June 30, 2013 and 2012

7. Long-Term Obligations

Long-term obligations consist of the following at June 30:

	<u>2013</u>	<u>2012</u>
Note payable to MHHEFA in conjunction with Revenue Bonds Series 2010B issued by MHHEFA, including premium of \$188,400 in 2013 and \$202,892 in 2012, which bears interest at rates varying from 2.5% to 5%; annual principal payments due in amounts ranging from \$140,000 to \$480,000 with the last payment due in fiscal year 2026 (see below)	\$ 2,776,344	\$ 3,040,836
Note payable to MHHEFA in conjunction with Revenue Bonds Series 2009A issued by MHHEFA, including premium of \$57,434 in 2013 and \$63,816 in 2012, which bears interest at rates varying from 2% to 5%; annual principal payments due in amounts ranging from \$135,000 to \$185,000 with the last payment due in fiscal year 2021	1,272,509	1,413,891
Note payable to MHHEFA in conjunction with Revenue Bonds Series 2008D issued by MHHEFA, which bears interest from 3.5% to 5.5%; annual principal payments due in amounts ranging from \$115,000 to \$230,000 with the last payment due in fiscal year 2029	2,333,695	2,438,695
Note payable to MHHEFA in conjunction with Revenue Bonds Series 2008C issued by MHHEFA, which bears interest from 3% to 5%; annual principal payments due in amounts ranging from \$110,000 to \$125,000 with the last payment due in fiscal year 2024	1,144,879	1,249,879
Note payable to MHHEFA in conjunction with Revenue Bonds Series 2007A issued by MHHEFA, including premium of \$72,389 in 2013 and \$76,647 in 2012, which bears interest at rates varying from 4% to 5%; annual principal payments due in amounts ranging from \$240,000 to \$500,000 with the last payment due in fiscal year 2031	5,774,822	6,014,080
Note payable to MHHEFA in conjunction with Revenue Bonds Series 2006F issued by MHHEFA, including premium of \$4,865 in 2013 and \$6,082 in 2012, which bears interest at 4%; annual principal payments due in amounts ranging from \$245,000 to \$280,000 with the last payment due in fiscal year 2017	758,665	994,882
Note payable to MHHEFA in conjunction with Revenue Bonds Series 2004B issued by MHHEFA, including premium of \$12,296 in 2013 and \$14,234 in 2012, which bears interest at rates varying from 3% to 5%; annual principal payments due in amounts ranging from \$135,000 to \$175,000 with the last payment due in fiscal year 2020	946,971	1,078,909
Note payable to MHHEFA in conjunction with Revenue Bonds Series 2003C issued by MHHEFA, which bears interest at rates varying from 2.25% to 3.62%; annual principal payments due in amounts ranging from \$115,000 to \$120,000 with the last payment due in fiscal year 2014	115,000	216,681

YORK HOSPITAL

NOTES TO FINANCIAL STATEMENTS

June 30, 2013 and 2012

7. Long-Term Obligations (Continued)

	<u>2013</u>	<u>2012</u>
Commercial loan payable to Peoples United Bank which bears interest at a fixed rate of 3.74%, monthly principal and interest payments of \$12,914 due through 2022; the proceeds were used to fund the construction of a medical office building in Kittery, Maine; the note is secured with a security interest in the related building and land and an assignment of all rentals	\$ 2,441,385	\$ -
Commercial loan payable to Kennebunk Savings Bank which bears interest at a fixed rate of 6.75% through January 2015, at which time the rate becomes variable; monthly principal and interest payments of \$16,071; the proceeds were used to fund the construction of a physician building in South Berwick, Maine; the note is secured with a security interest in the related building and land and an assignment of all rentals	1,087,581	1,152,674
Commercial loan payable to Kennebunk Savings Bank which bears interest at a fixed rate of 6.75% through January 2015, at which time the rate becomes variable; monthly principal and interest payments of \$11,385; the proceeds were used to fund the construction of a medical office building in Wells, Maine; the note is secured with a security interest in the related building and land and an assignment of all rentals	<u>1,659,078</u>	<u>1,737,038</u>
	20,310,929	19,337,565
Less current portion	<u>(1,602,301)</u>	<u>(1,460,000)</u>
	<u>\$18,708,628</u>	<u>\$17,877,565</u>

All of the above notes payable to MHHEFA are secured by a shared first mortgage on substantially all of the Hospital's property, plant and equipment and the Hospital's gross receipts.

The Hospital is required to make monthly deposits of interest and principal sufficient to make the semi-annual interest payments and to retire the Bonds when due for each of the notes payable to MHHEFA and these amounts, as funded, are included in trustee held funds (see Note 4).

Aggregate principal payments required under long-term debt agreements for the next five years are as follows: 2014 - \$1,602,301; 2015 - \$1,767,512; 2016 - \$1,612,266; 2017 - \$1,424,800; and 2018 - \$1,341,373.

The fair value of the Hospital's long-term debt at June 30, 2013 was approximately \$21,651,000.

Actual interest paid on long-term obligations was approximately \$1,009,000 and \$998,000 in 2013 and 2012, respectively, which includes approximately \$2,000 and \$88,000 of capitalized interest in 2013 and 2012, respectively.

On March 6, 2013, the Hospital was issued a letter of credit in the amount of \$250,000 which expires in March 2014.

YORK HOSPITAL

NOTES TO FINANCIAL STATEMENTS

June 30, 2013 and 2012

8. Assets Held on Behalf of Third-Party

At June 30, 2013 and 2012, the Hospital was holding \$926,101 and \$887,672, respectively, on behalf of York Health Foundation, an entity unrelated to the Hospital. The assets consist of cash, mutual funds, debt and equity securities.

9. Net Patient Service Revenue

The amounts which the Hospital charged at established rates are shown below, along with the adjustments to net patient service revenue:

	<u>2013</u>	<u>2012</u>
Gross patient service revenue	\$ 330,800,518	\$ 328,015,064
Deductions from revenue:		
Third-party contractual adjustments	(167,185,401)	(163,033,263)
Provisions for charity care	(8,271,040)	(6,124,347)
Other	<u>(641,850)</u>	<u>(568,993)</u>
	<u>(176,098,291)</u>	<u>(169,726,603)</u>
Net patient service revenue	\$ <u>154,702,227</u>	\$ <u>158,288,461</u>

An estimated breakdown of patient service revenue, net of contractual adjustments and provision for uncollectible accounts recognized in 2013 from these major payor sources, is as follows:

	<u>2013</u>	<u>2012</u>
Medicare	\$ 50,347,652	\$ 46,581,398
Medicaid	7,892,822	7,299,826
Commercial	87,695,382	96,806,689
Patients	<u>17,037,411</u>	<u>13,724,895</u>
	162,973,267	164,412,808
Provision for bad debt	(7,730,859)	(7,171,713)
Provision for charity care	<u>(8,271,040)</u>	<u>(6,124,347)</u>
	\$ <u>146,971,368</u>	\$ <u>151,116,748</u>

YORK HOSPITAL

NOTES TO FINANCIAL STATEMENTS

June 30, 2013 and 2012

10. Defined Benefit Pension Plan and Other Benefits

Defined Benefit Pension Plan

The long-term pension obligation of \$5,249,123 and \$8,072,574 at June 30, 2013 and 2012, respectively, is included as part of long-term obligations and other obligations on the balance sheet which also includes other liabilities of \$2,287,670 and \$2,138,458 at June 30, 2013 and 2012, respectively, as described below.

All amounts reflected in the change in unrestricted net assets relate to the adjustment to the long-term pension obligation.

The amount expected to be recognized as a component of net periodic benefit cost in 2014 is approximately \$470,000.

The following table sets forth the plan's funded status and amounts recognized in the Hospital's balance sheets with respect to its deferred benefit pension plan at June 30:

	<u>2013</u>	<u>2012</u>
Pension benefits:		
Fair value of plan assets at June 30	\$ 23,494,128	\$ 21,185,039
Projected benefit obligation at June 30	<u>(28,743,251)</u>	<u>(29,257,613)</u>
Funded status	<u>\$ (5,249,123)</u>	<u>\$ (8,072,574)</u>
Accumulated benefit obligation	<u>\$ 28,743,251</u>	<u>\$ 29,257,613</u>
Accrued pension cost	<u>\$ (5,249,123)</u>	<u>\$ (8,072,574)</u>

The assets of the plan are carried at fair value and are classified in the three categories as described in Note 5. The following table provides the assets of the plan carried at fair value as of June 30.

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<u>2013</u>				
Cash and cash equivalents	\$ 1,036,678	\$ 1,036,678	\$ -	\$ -
Equity mutual funds	11,413,648	11,413,648	-	-
Fixed income mutual funds	2,821,178	2,821,178	-	-
International equity mutual funds	4,456,711	4,456,711	-	-
U.S. government and agency bonds	795,596	-	795,596	-
Corporate bonds	1,471,440	-	1,471,440	-
Municipal bonds	986,107	-	986,107	-
Alternative investments	<u>512,770</u>	<u>-</u>	<u>-</u>	<u>512,770</u>
Plan assets	<u>\$23,494,128</u>	<u>\$19,728,215</u>	<u>\$3,253,143</u>	<u>\$512,770</u>

YORK HOSPITAL

NOTES TO FINANCIAL STATEMENTS

June 30, 2013 and 2012

10. Defined Benefit Pension Plan and Other Benefits (Continued)

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<u>2012</u>				
Cash and cash equivalents	\$ 1,661,202	\$ 1,661,202	\$ -	\$ -
Equity mutual funds	9,696,467	9,696,467	-	-
Fixed income mutual funds	247,627	247,627	-	-
International equity mutual funds	3,736,324	3,736,324	-	-
U.S. government and agency bonds	1,325,242	-	1,325,242	-
Corporate bonds	2,385,385	-	2,385,385	-
Municipal bonds	1,640,439	-	1,640,439	-
Alternative investments	<u>492,353</u>	<u>-</u>	<u>-</u>	<u>492,353</u>
 Plan assets	 <u>\$21,185,039</u>	 <u>\$15,341,620</u>	 <u>\$5,351,066</u>	 <u>\$492,353</u>

The change in fair value of Level 3 alternative investments is due to the following:

Balance at June 30, 2012	\$492,353
Purchases	50,000
Sales	(11,858)
Net realized and unrealized loss on investments	<u>(17,725)</u>
 Balance at June 30, 2013	 <u>\$512,770</u>

The target allocation percentage for investments is 60% equities and 40% debt securities. The Plan trustee evaluates its target allocation periodically in relation to market performance and overall market conditions. The Plan does not allow for the purchase of derivatives and the overall goal is to provide for adequate investment growth, along with contributions, to provide adequate funding to meet plan obligations on a current and projected basis.

The overall expected long-term rate of return is based upon achieved historical returns of a mix of stocks and bonds and expectations of future yields and market performance for such securities.

The following table provides information with respect to the plan for the years ended June 30:

	<u>2013</u>	<u>2012</u>
Net pension cost	\$1,338,128	\$1,581,656
Employer contribution	1,500,000	2,027,270
Benefits paid	1,465,876	2,961,611

Expected benefits to be paid in future years are: 2014 - \$1,440,302; 2015 - \$1,160,040; 2016 - \$1,455,256; 2017 - \$1,490,551; and 2018 - \$1,251,320; and aggregate for the next five fiscal years thereafter - \$9,228,854.

Expected contributions to be made in fiscal 2014 total \$1,500,000.

YORK HOSPITAL

NOTES TO FINANCIAL STATEMENTS

June 30, 2013 and 2012

10. **Defined Benefit Pension Plan and Other Benefits (Continued)**

The following table provides the weighted average assumptions as of June 30:

	<u>2013 End</u> <u>of Year</u>	<u>2012 End</u> <u>of Year</u>
Discount rate	5.0%	4.5%
Expected return on plan assets	7.0	7.0

Deferred Compensation Plans

During 2007, the Hospital established a deferred compensation arrangement under a nonqualified defined contribution plan to provide supplemental retirement benefits to certain employees. A fund was established to provide for benefits under the plan. The plan was terminated in 2013 and all assets were distributed. Fund assets (consisting of cash and mutual funds carried at fair market value) totaled \$50,788 at June 30, 2012, and are included in other investments on the accompanying balance sheet. The Hospital also has a supplemental executive retirement plan (SERP) for an executive officer. The total obligation of the Hospital under this agreement was \$2,287,670 and \$2,087,670 at June 30, 2013 and 2012, respectively. The obligations are included in long-term pension and other obligations on the balance sheet and amounts funded for the plan are included in investments. The assets are carried at fair value and are classified as Level 1 under the GAAP hierarchy described in Note 5.

Under the plan, all gains and losses in trust fund investments increase or decrease the deferred compensation liability.

11. **Medical Malpractice Insurance**

The Hospital insures its medical malpractice risks on a claims made basis. At June 30, 2013, there were no known malpractice claims outstanding which, in the opinion of management, will be settled for amounts in excess of insurance coverage nor were there any unasserted claims or incidents which require loss accrual for in excess of insurance coverage. The Hospital intends to renew coverage on a claims made basis and anticipates that such coverage will be available.

In accordance with Accounting Standards Update (ASU) No. 2010-24, *Health Care Entities (Topic 954): Presentation of Insurance Claims and Related Insurance Recoveries* (ASU 2010-24), the Hospital recorded a liability of \$744,000 related to estimated professional liability losses. There is no receivable related to estimated recoveries under insurance coverage for recoveries of the potential losses.

12. **Volunteer Services**

Total volunteer service hours provided to the Hospital were approximately 56,000 and 51,000 in 2013 and 2012, respectively. The volunteers provide various nonspecialized services to the Hospital, none of which has been recognized as revenue or expense in the statements of operations.

**SCHEDULE I
(Form 990)**

Department of the Treasury
Internal Revenue Service

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

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

OMB No. 1545-0047

2012

Open to Public
Inspection

Name of the organization

York Hospital

Employer identification number
01-0212444

Part I General Information on Grants and Assistance

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

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Part II can be duplicated if additional space is needed.

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance

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

3 Enter total number of other organizations listed in the line 1 table ▲

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

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
Scholarships	4	11,542.	0.		
Orientation Program	1	13,400.	0.		
Continuing Education/Seminars and Workshops	145	19,375.	0.		

Part IV Supplemental Information. Complete this part to provide the information required in Part I, line 2, Part III, column (b), and any other additional information.

Schedule I, Part I, Line 2: The scholarship fund is monitored by a committee which manages the funds in accordance with the donor's wishes. The committee does this by allocating a portion for seminars and workshops or continuing education, allocating a portion for an orientation program, and allocating funds for those who want to attend nursing school or primary education. Continuing education funds are allocated to each department head responsible for nurses and each is then responsible for spending funds in accordance with the donor's wishes. The orientation program is directly administered by members of the Committee responsible for the employee in

Part IV Supplemental Information

orientation. For nursing scholarships, people must apply to the Committee through an application process and then report back to the Committee on their progress. All amounts spent are also tracked and reviewed in accounting to ensure that the monies are used in accordance with the donor's wishes. Annually, the Director of Development reports fund activity directly to the donor.

**SCHEDULE J
(Form 990)**

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

Department of the Treasury
Internal Revenue Service

Name of the organization

York Hospital

Employer identification number

01-0212444

Part I Questions Regarding Compensation

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"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input checked="" type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) |

b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?

3 Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.

- | | |
|--|---|
| <input checked="" type="checkbox"/> Compensation committee | <input type="checkbox"/> Written employment contract |
| <input type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study |
| <input type="checkbox"/> Form 990 of other organizations | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

- a** Receive a severance payment or change-of-control payment?
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?
- c** Participate in, or receive payment from, an equity-based compensation arrangement?
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.

5 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

- a** The organization?
- b** Any related organization?
- If "Yes" to line 5a or 5b, describe in Part III.

6 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

- a** The organization?
- b** Any related organization?
- If "Yes" to line 6a or 6b, describe in Part III.

7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III

8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III

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

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

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

Schedule J (Form 990) 2012

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 1a: Minimal rotary dues for president

Part I, Lines 4a-b: 4a: The following individual received base compensation under a severance agreement from the Organization:

Dr. Jeffrey Thurlow: \$209,477

4b: Jud Knox, President, has a SERP Defined Benefit Plan. The increase in actuarial value was \$381,355.

Part I, Line 7: Performance-based variable compensation which is subject to review annually.

**SCHEDULE K
(Form 990)**
Department of the Treasury
Internal Revenue Service

Entity 1

Supplemental Information on Tax-Exempt Bonds

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

OMB No. 1545-0047
2012
Open to Public Inspection

Name of the organization

York Hospital

Employer identification number
01-0212444

Part I Bond Issues See Part VI for Column (f) Continuations

(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pooled financing		
						Yes	No	Yes	No	Yes	No	Yes
A MHHEFA	01-0314384560425NW6		07/24/03	6,988,265.	For MRI unit					X		X
B MHHEFA	01-0314384560425UT5		12/09/04	42,196,950.	CT scanner, nuclear me, radio					X		X
C MHHEFA	01-0314384560425G20		09/07/06	91,723,676.	CT scanner, digital MAMMO equ					X		X
D MHHEFA	01-0314384560425L40		07/18/07	97,716,087.	Refinance 1999B ER project & 2000					X		X

Part II Proceeds

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Amount of bonds retired		940,000.		370,000.		1,025,000.		855,000.
2 Amount of bonds legally defeased								
3 Total proceeds of issue		1,179,561.		1,941,005.		2,318,380.		7,437,938.
4 Gross proceeds in reserve funds		137,879.		135,325.		291,200.		547,568.
5 Capitalized interest from proceeds								
6 Proceeds in refunding escrows								
7 Issuance costs from proceeds								
8 Credit enhancement from proceeds								
9 Working capital expenditures from proceeds								
10 Capital expenditures from proceeds								
11 Other spent proceeds								
12 Other unspent proceeds								
13 Year of substantial completion	2003		2005		2006		2007	
14 Were the bonds issued as part of a current refunding issue?		X		X		X		X
15 Were the bonds issued as part of an advance refunding issue?		X		X		X		X
16 Has the final allocation of proceeds been made?	X		X		X		X	
17 Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		X		X	

Part III Private Business Use

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

SCHEDULE K
 (Form 990)
 Department of the Treasury
 Internal Revenue Service

Supplemental Information on Tax-Exempt Bonds
 Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.
 Attach to Form 990. See separate instructions.

Name of the organization: **York Hospital**
 Employer identification number: **01-0212444**

Part I Bond Issues See Part VI for Column (f) Continuations

(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pooled financing	
						Yes	No	Yes	No	Yes	No
A MHHEFA	01-0314384	560525Z78	06/19/08	48,451,841.	Imaging equipment		X		X		X
B MHHEFA	01-0314384	5604253L2	12/03/08	41,658,395.	Surgery center addition		X		X		X
C MHHEFA	01-0314384	560427GE0	12/10/09	93,040,181.	New CT and other equipment		X		X		X
D MHHEFA	01-0314384	560427JA5	06/24/10	113,477,369.	Refinance 1993, 1998, 1999A & 200		X		X		X

Part II Proceeds

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Amount of bonds retired		105,000.		295,000.		200,000.		325,000.
2 Amount of bonds legally defeased								
3 Total proceeds of issue		1,707,209.		2,788,576.		1,827,960.		4,001,877.
4 Gross proceeds in reserve funds		162,330.		341,545.		194,925.		607,056.
5 Capitalized interest from proceeds								
6 Proceeds in refunding escrows		42,816.		46,861.		29,377.		5,418,358.
7 Issuance costs from proceeds								51,237.
8 Credit enhancement from proceeds								
9 Working capital expenditures from proceeds								
10 Capital expenditures from proceeds		1,474,018.		2,400,170.		1,603,658.		
11 Other spent proceeds		28,044.						
12 Other unspent proceeds								
13 Year of substantial completion		2008		2010		2010		2010
14 Were the bonds issued as part of a current refunding issue?		X		X		X		X
15 Were the bonds issued as part of an advance refunding issue?		X		X		X		X
16 Has the final allocation of proceeds been made?		X		X		X		X
17 Does the organization maintain adequate books and records to support the final allocation of proceeds?		X		X		X		X

Part III Private Business Use

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

Part III Private Business Use (Continued)

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
3a Are there any management or service contracts that may result in private business use of bond-financed property?		X		X		X		X
b If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c Are there any research agreements that may result in private business use of bond-financed property?		X		X		X		X
d If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government		%		%		%		%
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government		%		%		%		%
6 Total of lines 4 and 5		%		%		%		%
7 Does the bond issue meet the private security or payment test?		X		X		X		X
8a Has there been a sale or disposition of any of the bond-financed property to a non-governmental person other than a 501(c)(3) organization since the bonds were issued?		X		X		X		X
b If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of		%		%		%		%
c If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?								
9 Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?								

Part IV Arbitrage

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

Part II Private Business Use (Continued)

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
3a Are there any management or service contracts that may result in private business use of bond-financed property?		X		X		X		X
b If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c Are there any research agreements that may result in private business use of bond-financed property?		X		X		X		X
d If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government		%		%		%		%
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government		%		%		%		%
6 Total of lines 4 and 5		%		%		%		%
7 Does the bond issue meet the private security or payment test?		X		X		X		X
8a Has there been a sale or disposition of any of the bond-financed property to a non-governmental person other than a 501(c)(3) organization since the bonds were issued?		X		X		X		X
b If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of		%		%		%		%
c If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?								
9 Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?		X		X		X		X

Part IV Arbitrage

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

Part IV Arbitrage (Continued)

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
5a Were gross proceeds invested in a guaranteed investment contract (GIC)?	X			X		X		X
b Name of provider	GEFCM							
c Term of GIC	28.0000000							
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?	X							
6 Were any gross proceeds invested beyond an available temporary period?		X		X		X		X
7 Has the organization established written procedures to monitor the requirements of section 148?		X		X		X		X

Part V Procedures To Undertake Corrective Action

Has the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations?

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
Supplemental Information. Complete this part to provide additional information for responses to questions on Schedule K (see instructions). Schedule K, Part I, Bond Issues:								
(a) Issuer Name: MHHEFA								
(f) Description of Purpose: CT scanner, nuclear me, radiology, MAMMO unit		X		X		X		X

(a) Issuer Name: MHHEFA

(f) Description of Purpose: CT scanner, nuclear me, radiology, MAMMO unit

(a) Issuer Name: MHHEFA

(f) Description of Purpose:

CT scanner, digital MAMMO equip, PAC's equipment

(a) Issuer Name: MHHEFA

(f) Description of Purpose:

Refinance 1999B ER project & 2000C Wells Regional

(a) Issuer Name: MHHEFA

(f) Description of Purpose: Refinance 1993, 1998, 1999A & 2001D

Schedule K, Part IV, Arbitrage, Line 2c:

(a) Issuer Name: MHHEFA

Date the Rebate Computation was Performed: 06/19/2013

Form 990, Schedule K, Part III, Line 9, IV, Line 7, and Part V:

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

Although formal policies are not in place to ensure that violations are timely identified and corrected, the bonds issuer, Maine Health & Higher Educational Facilities Authority (MHHEFA), monitors Section 148 requirements for York Hospital until funds are spent down enough to ensure none of the Hospital's tax exempt bonds become arbitrage bonds. Bond proceeds are placed in low yield investments and no funds are released to York Hospital until expenses have been incurred and receipts are provided to MHHEFA.

Furthermore, the Hospital works closely with MHHEFA to ensure that safeguards are in place to take appropriate and timely remedial action should any violations of federal tax requirements occur.

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

York Hospital

Employer identification number
01-0212444

Form 990, Part VI, Section B, line 11: The Hospital's Form 990 is prepared with the assistance of an independent public accounting firm and thoroughly reviewed by the Hospital's finance staff before it is filed. The 990 is distributed to the Board of Trustees for their review after it is filed.

Form 990, Part VI, Section B, Line 12c: Annually, the Board of Trustees and the officers sign a conflict of interest form.

Form 990, Part VI, Section B, Line 15: The executive committee of the Board of Trustees utilizes an outside firm's database of CEO salaries to determine the CEO's compensation. The CEO determines the compensation of other officers or key employees using an outside firm's data to make sure the compensation is market based.

Form 990, Part VI, Section C, Line 19: The Hospital's governing documents, conflict of interest policy, and financial statements are available upon request.

Form 990, Part XII, Line 2c

The audit process has not changed from the prior year.

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)				
(2)				
(3)				
(4)				
(5)				
(6)				

Form **990-W**

**Estimated Tax on Unrelated Business Taxable
Income for Tax-Exempt Organizations**

OMB No. 1545-0976

(Worksheet)
Department of the Treasury
Internal Revenue Service

(and on Investment Income for Private Foundations) **Form 990-T**
(Keep for your records. Do not send to the Internal Revenue Service.)

2013

1	Unrelated business taxable income expected in the tax year	1	
2	Tax on the amount on line 1. See instructions for tax computation	2	
3	Alternative minimum tax (see instructions)	3	
4	Total. Add lines 2 and 3	4	
5	Estimated tax credits (see instructions)	5	
6	Subtract line 5 from line 4	6	
7	Other taxes (see instructions)	7	
8	Total. Add lines 6 and 7	8	
9	Credit for federal tax paid on fuels (see instructions)	9	
10a	Subtract line 9 from line 8. Note. If less than \$500, the organization is not required to make estimated tax payments. Private foundations, see instructions	10a	
b	Enter the tax shown on the 2012 return (see instructions). Caution. If zero or the tax year was for less than 12 months, skip this line and enter the amount from line 10a on line 10c	10b	12,912.
c	2013 Estimated Tax. Enter the smaller of line 10a or line 10b. If the organization is required to skip line 10b, enter the amount from line 10a on line 10c	10c	12,912.

		(a)	(b)	(c)	(d)	
11	Installment due dates (see instructions)	11	10/15/13	12/16/13	03/17/14	06/16/14
12	Required installments. Enter 25% of line 10c in columns (a) through (d) unless the organization uses the annualized income installment method, the adjusted seasonal installment method, or is a "large organization" (see instructions)	12	3,228.	3,228.	3,228.	3,228.
13	2012 Overpayment (see instructions)	13	3,228.	3,228.	3,228.	95.
14	Payment due. (Subtract line 13 from line 12.)	14				3,133.

LHA For Paperwork Reduction Act Notice, see instructions.

Form **990-W** (2013)

Estimated Tax	12,912.
Overpayment Applied	9,779.
Amount Due	3,133.