Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No. 1545-0047

2012

Open to Public Inspection

A For the 2012 calendar year, or tax year beginning 9/30 , 2012, and ending 9/28 , 2013

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

C
EASTERN MAINE HEALTHCARE SYSTEMS (TAMC)
THE AROOSTOOK MEDICAL CENTER (TAMC)
P.O. BOX 151
PRESQUE ISLE, ME 04769

D Employer Identification Number: 01-0372148

E Telephone number: 207-768-4250

G Gross receipts $ 223,228,315.

F Name and address of principal officer: SYLVIA GETMAN
Same As C Above

H(a) Is this a group return for affiliates? [ ] Yes [X] No

H(b) Are all affiliates included? [ ] Yes [ ] No
If 'No,' attach a list. (see instructions)

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

J Website: ► WWW.TAMC.ORG

H(c) Group exemption number ► 5247

K Form of organization: [X] Corporation [ ] Trust [ ] Association [ ] Other ►

L Year of Formation: 1981

M State of legal domicile: ME

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities: THE MISSION OF THE AROOSTOOK MEDICAL CENTER IS TO RESTORE, MAINTAIN, AND IMPROVE THE HEALTH OF OUR FRIENDS AND NEIGHBORS IN A COMPASSIONATE AND PROFESSIONAL ENVIRONMENT.

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

3	Number of voting members of the governing body (Part VI, line 1a)	3	17
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	11
5	Total number of individuals employed in calendar year 2012 (Part V, line 2a)	5	1,156
6	Total number of volunteers (estimate if necessary)	6	66
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	0.
b	Net unrelated business taxable income from Form 990-T, line 34	7b	0.

			Prior Year	Current Year
Revenue	8	Contributions and grants (Part VIII, line 1h)	110,021.	197,202.
	9	Program service revenue (Part VIII, line 2g)	212,790,621.	218,382,158.
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	409,853.	1,962.
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	4,572,418.	3,965,477.
	12	Total revenue – add lines 8 through 11 (must equal Part VIII, column (A), line 12)	217,882,913.	222,546,799.
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)		
	14	Benefits paid to or for members (Part IX, column (A), line 4)		
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	66,011,877.	68,564,383.
	16a	Professional fundraising fees (Part IX, column (A), line 11e)		
	b	Total fundraising expenses (Part IX, column (D), line 25) ► 124,853.		
	17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	153,460,503.	152,632,866.
	18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	219,472,380.	221,197,249.
	19	Revenue less expenses. Subtract line 18 from line 12	-1,589,467.	1,349,550.
			Beginning of Current Year	**End of Year**
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	76,177,731.	73,927,946.
	21	Total liabilities (Part X, line 26)	40,281,935.	37,245,342.
	22	Net assets or fund balances. Subtract line 21 from line 20	35,895,796.	36,682,604.

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 8-14-14

► C. BRUCE SANDSTROM — VICE PRESIDENT, CFO
Type or print name and title.

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check [ ] if self-employed	PTIN
	Self-Prepared			

Firm's name ►
Firm's address ►
Firm's EIN ►
Phone no.

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

Part III **Statement of Program Service Accomplishments**

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

1 Briefly describe the organization's mission:

THE MISSION OF THE AROOSTOOK MEDICAL CENTER IS TO RESTORE, MAINTAIN, AND IMPROVE THE HEALTH OF OUR FRIENDS AND NEIGHBORS IN A COMPASSIONATE AND PROFESSIONAL ENVIRONMENT.

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

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

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

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

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

4a (Code: _____) (Expenses $ 193,844,633. including grants of $ _____) (Revenue $ 222,346,135.)

See Schedule O

4b (Code: _____) (Expenses $ 8,545,459. including grants of $ _____) (Revenue $ _____)

MEDICARE SHORTFALLS (AT COST). 8,394 PERSONS SERVED

4c (Code: _____) (Expenses $ 5,186,266. including grants of $ _____) (Revenue $ _____)

MEDICAID SHORTFALLS (AT COST). 6,435 PERSONS SERVED

4d Other program services. (Describe in Schedule O.) See Schedule O

(Expenses $ 1,851,205. including grants of $) (Revenue $ 1,500.)

4e **Total program service expenses** ► 209,427,563.

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If 'Yes,' complete Schedule A*	1	X	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2	X	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If 'Yes,' complete Schedule C, Part I*	3		X
4	**Section 501(c)(3) organizations** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If 'Yes,' complete Schedule C, Part II*	4	X	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If 'Yes,' complete Schedule C, Part III*	5		X
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If 'Yes,' complete Schedule D, Part I*	6		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? *If 'Yes,' complete Schedule D, Part II*	7		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If 'Yes,' complete Schedule D, Part III*	8		X
9	Did the organization report an amount in Part X, line 21, 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? *If 'Yes,' complete Schedule D, Part IV*	9		X
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If 'Yes,' complete Schedule D, Part V*	10	X	
11	If the organization's answer to any of the following questions is 'Yes', then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.			
a	Did the organization report an amount for land, buildings and equipment in Part X, line 10? *If 'Yes,' complete Schedule D, Part VI*	11 a	X	
b	Did the organization report an amount for investments – other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If 'Yes,' complete Schedule D, Part VII*	11 b		X
c	Did the organization report an amount for investments – program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If 'Yes,' complete Schedule D, Part VIII*	11 c		X
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If 'Yes,' complete Schedule D, Part IX*	11 d	X	
e	Did the organization report an amount for other liabilities in Part X, line 25? *If 'Yes,' complete Schedule D, Part X*	11 e	X	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If 'Yes,' complete Schedule D, Part X*	11 f	X	
12 a	Did the organization obtain separate, independent audited financial statements for the tax year? *If 'Yes,' complete Schedule D, Parts XI, and XII*	12a		X
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If 'Yes,' and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI and XII is optional*	12 b	X	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If 'Yes,' complete Schedule E*	13		X
14 a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		X
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If 'Yes,' complete Schedule F, Parts I and IV*	14b		X
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the United States? *If 'Yes,' complete Schedule F, Parts II and IV*	15		X
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the United States? *If 'Yes,' complete Schedule F, Parts III and IV*	16		X
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If 'Yes,' complete Schedule G, Part I (see instructions)*	17		X
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If 'Yes,' complete Schedule G, Part II*	18		X
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If 'Yes,' complete Schedule G, Part III*	19		X
20 a	Did the organization operate one or more hospital facilities? *If 'Yes,' complete Schedule H*	20	X	
b	If 'Yes' to line 20a, did the organization attach a copy of its audited financial statements to this return?	20 b	X	

Part IV Checklist of Required Schedules *(continued)*

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

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

				Yes	No
1 a Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1 a	146			
b Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1 b	0			
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			1 c	X	
2 a Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2 a	1,156			
b If at least one is reported on line 2a, did the organization file all required federal employment tax returns?			2 b	X	
Note. If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file.* (see instructions)					
3 a Did the organization have unrelated business gross income of $1,000 or more during the year?			3 a		X
b If 'Yes' has it filed a Form 990-T for this year? *If 'No,' provide an explanation in Schedule O*			3 b		
4 a At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?			4 a		X
b If 'Yes,' enter the name of the foreign country: ▶					
See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.					
5 a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?			5 a		X
b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			5 b		X
c If 'Yes,' to line 5a or 5b, did the organization file Form 8886-T?			5 c		
6 a Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?			6 a		X
b If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			6 b		
7 Organizations that may receive deductible contributions under section 170(c).					
a Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?			7 a		X
b If 'Yes,' did the organization notify the donor of the value of the goods or services provided?			7 b		
c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			7 c		X
d If 'Yes,' indicate the number of Forms 8282 filed during the year	7 d				
e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			7 e		X
f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?			7 f		X
g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			7 g		
h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			7 h		
8 Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			8		
9 Sponsoring organizations maintaining donor advised funds.					
a Did the organization make any taxable distributions under section 4966?			9 a		
b Did the organization make a distribution to a donor, donor advisor, or related person?			9 b		
10 Section 501(c)(7) organizations. Enter:					
a Initiation fees and capital contributions included on Part VIII, line 12	10 a				
b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10 b				
11 Section 501(c)(12) organizations. Enter:					
a Gross income from members or shareholders	11 a				
b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11 b				
12 a Section 4947(a)(1) non - exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?			12 a		
b If 'Yes,' enter the amount of tax-exempt interest received or accrued during the year	12 b				
13 Section 501(c)(29) qualified nonprofit health insurance issuers.					
a Is the organization licensed to issue qualified health plans in more than one state?			13 a		
Note. See the instructions for additional information the organization must report on Schedule O.					
b Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13 b				
c Enter the amount of reserves on hand	13 c				
14 a Did the organization receive any payments for indoor tanning services during the tax year?			14 a		X
b If 'Yes,' has it filed a Form 720 to report these payments? *If 'No,' provide an explanation in Schedule O*			14 b		

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

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

Section A. Governing Body and Management

				Yes	No
1 a	Enter the number of voting members of the governing body at the end of the tax year ..... 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.	1 a	17		
b	Enter the number of voting members included in line 1a, above, who are independent	1 b	11		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee or key employee?	2			X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3			X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4			X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5			X
6	Did the organization have members or stockholders? See Schedule O	6		X	
7 a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body? See Schedule O	7 a		X	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or other persons other than the governing body? See Sch O	7 b		X	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:				
a	The governing body?	8 a		X	
b	Each committee with authority to act on behalf of the governing body?	8 b		X	
9	Is there any officer, director or trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If 'Yes,' provide the names and addresses in Schedule O.*	9			X

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

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

Section C. Disclosure

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

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

[X] Own website [X] Another's website [X] Upon request [ ] Other *(explain in Schedule O)*

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

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization:

► C. BRUCE SANDSTROM, VP, CFO 140 ACADEMY STREET PRESQUE ISLE ME 04769 207-768-4250

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee): Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
(1) RICHARD DEBOWSKY, MD	40									
PRES MED STAFF	0	X						462,233.	0.	28,473.
(2) CAROL BELL	2									
Director	0	X						0.	0.	0.
(3) CARL FLORA	2									
Treasurer	0	X		X				0.	0.	0.
(4) M. MICHELLE HOOD	2									
PRESIDENT EMHS	50	X						0.	844,254.	248,039.
(5) MICHAEL FALOON, MD	40									
VICE PRES MED S	0	X						201,845.	0.	26,083.
(6) JENNIFER SONNTAG	2									
Director	0	X						0.	0.	0.
(7) BETTY KENT-CONANT	2									
DIRECTOR	0	X						0.	0.	0.
(8) HOLLY JOHNSON	2									
DIRECTOR	0	X						0.	0.	0.
(9) JOE LALLANDE	2									
Secretary	0	X		X				0.	0.	0.
(10) ALAN LANDEEN	2									
DIRECTOR	0	X						0.	0.	0.
(11) LYNN LOMBARD	2									
Chairman	0	X		X				0.	0.	0.
(12) GENE LYNCH, II	2									
VICE CHAIR	0	X		X				0.	0.	0.
(13) SYLVIA GETMAN	40									
PRESIDENT/CEO	0	X		X				329,787.	0.	129,900.
(14) PETER ST. JOHN	2									
Director	0	X						0.	0.	0.

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee): Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
(15) BRETT VARNUM	2									
DIRECTOR	0	X						0.	0.	0.
(16) BARRY MCCRUM	2									
DIRECTOR	0	X						0.	0.	0.
(17) STEVE ST PIERRE	2									
Director	0	X						0.	0.	0.
(18) JAY REYNOLDS, MD	40									
VP/CMO	0			X				219,834.	0.	39,680.
(19) THOMAS UMPHREY	40									
VP/HUMAN RESOUR	0			X				182,182.	0.	17,007.
(20) C. BRUCE SANDSTROM	40									
VP/CFO	0			X				483,563.	0.	22,813.
(21) ROGER PELLI, DO	40									
CMIO	0			X				243,780.	0.	23,533.
(22) ROLAND JOY	40									
Vice President	0			X				158,710.	0.	12,356.
(23) GLENDA DWYER	40									
Vice President	0			X				148,160.	0.	20,354.
(24) STEPHEN MARTIN	40									
OPHTHALMOLOGIST	0					X		571,531.	0.	15,575.
(25) MAHENDRA SHETH	40									
SURGEON	0					X		498,754.	0.	11,250.
1 b Sub-total ►								3,500,379.	844,254.	595,063.
c Total from continuation sheets to Part VII, Section A ►								1,520,669.	0.	83,472.
d Total (add lines 1b and 1c) ►								5,021,048.	844,254.	678,535.

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 ► 86

		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
R&L REAL ESTATE LLC PO BOX 4135 PRESQUE ISLE, ME 04769	PROPERTY LEASE	573,766.
FRESH AIR LLC 137 BENNETT DRIVE PRESQUE ISLE, ME 04769	AIR AMBULANCE	473,137.
AROOSTOOK MRI LLC PO BOX 6600 NEW PORT BEACH, CA 92658	CONTRACTED SERVICES	280,922.
JONATHAN HERLAND MD 36 PENN PLAZA BANGOR, ME 04401	CONSULTING	115,000.
DAUDI MANAGEMENT INC. 181 ACADEMY STREET, SUITE 3 PRESQUE ISLE, ME 0	CONTRACTED SERVICES	170,416.

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 in compensation from the organization ► 7

Form 990

Department of the Treasury
Internal Revenue Service

Continuation Sheet for Form 990

OMB No. 1545-0047

2012

Name of the Organization: EASTERN MAINE HEALTHCARE SYSTEMS (TAMC)

Employer Identification number: 01-0372148

Part VII Continuation: Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (check all that apply): Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
ROBERT W. RICE MD	40									
SURGEON	0					X		495,719.	0.	34,204.
DEENESH SAHAJPAL	40									
SURGEON	0					X		474,027.	0.	20,301.
VENKATRAM NETHALA	40									
SURGEON	0					X		443,946.	0.	28,967.
DAVID PETERSON	0									
CEO	0						X	106,977.	0.	0.

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	1a Federated campaigns	1a				
	b Membership dues	1b				
	c Fundraising events	1c				
	d Related organizations	1d	85,606.			
	e Government grants (contributions)	1e	102,851.			
	f All other contributions, gifts, grants, and similar amounts not included above	1f	8,745.			
	g Noncash contributions included in lns 1a-1f: $ 8,745.					
	h Total. Add lines 1a-1f ►		197,202.			
PROGRAM SERVICE REVENUE		Business Code				
	2a PATIENT SERVICE REVENUE	621990	218236186.	218236186.		
	b SALES & CONTRACT REVENUE	621990	145,972.	145,972.		
	c					
	d					
	e					
	f All other program service revenue					
	g Total. Add lines 2a-2f ►		218382158.			
OTHER REVENUE	3 Investment income (including dividends, interest and other similar amounts) ►		155,212.			155,212.
	4 Income from investment of tax-exempt bond proceeds ►					
	5 Royalties ►					
		(i) Real	(ii) Personal			
	6a Gross rents	31,645.				
	b Less: rental expenses	82,194.				
	c Rental income or (loss)	-50,549.				
	d Net rental income or (loss) ►		-50,549.	-50,549.		
		(i) Securities	(ii) Other			
	7a Gross amount from sales of assets other than inventory	354,329.	91,743.			
	b Less: cost or other basis and sales expenses	370,671.	228,651.			
	c Gain or (loss)	-16,342.	-136,908.			
	d Net gain or (loss) ►		-153,250.			-153,250.
	8a Gross income from fundraising events (not including $ ____ of contributions reported on line 1c). See Part IV, line 18 a					
	b Less: direct expenses b					
	c Net income or (loss) from fundraising events ►					
	9a Gross income from gaming activities. See Part IV, line 19 a					
	b Less: direct expenses b					
	c Net income or (loss) from gaming activities ►					
	10a Gross sales of inventory, less returns and allowances a					
	b Less: cost of goods sold b					
	c Net income or (loss) from sales of inventory ►					
	Miscellaneous Revenue	Business Code				
	11a MEANINGFUL USE	621990	1,711,424.	1,711,424.		
	b OTHER REVENUE	900099	675,266.	675,266.		
	c ADMINISTRATIVE SERVICES	561000	415,638.	415,638.		
	d All other revenue	WKS	1,213,698.	1,213,698.		
	e Total. Add lines 11a-11d ►		4,016,026.			
	12 Total revenue. See instructions ►		222546799.	222347635.	0.	1,962.

Part IX Statement of Functional Expenses

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

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21				
2 Grants and other assistance to individuals in the United States. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	2,755,495.	774,181.	1,981,314.	0.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0.	0.	0.	0.
7 Other salaries and wages	54,060,793.	48,818,212.	5,188,060.	54,521.
8 Pension plan accruals and contributions (include section 401(k) and section 403(b) employer contributions)	1,708,803.	1,543,091.	163,989.	1,723.
9 Other employee benefits	6,444,907.	5,819,908.	618,499.	6,500.
10 Payroll taxes	3,594,385.	3,150,987.	439,927.	3,471.
11 Fees for services (non-employees):				
a Management				
b Legal	239,574.		239,574.	
c Accounting	49,000.		49,000.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees	3,679.		3,679.	
g Other. (If line 11g amt exceeds 10% of line 25, column (A) amt, list line 11g expenses on Sch O)	8,635,945.	7,486,545.	1,094,400.	55,000.
12 Advertising and promotion	357,331.	317,521.	39,244.	566.
13 Office expenses	2,660,291.	2,367,659.	292,632.	
14 Information technology				
15 Royalties				
16 Occupancy	2,934,833.	2,265,628.	669,205.	
17 Travel	701,359.	624,108.	77,137.	114.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	22,262.		22,262.	
20 Interest	282,267.	251,218.	31,049.	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	3,461,811.	3,081,011.	380,800.	
23 Insurance	624,050.	555,404.	68,646.	
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a CONTRACTUAL ALLOWANCES	109,204,615.	109,204,615.		
b MEDICAL SUPPLIES EXPENSE	11,148,097.	11,148,097.		
c CHARITY CARE	4,034,653.	4,034,653.		
d PROVISION FOR BAD DEBTS	3,703,812.	3,703,812.		
e All other expenses	4,569,287.	4,280,913.	285,416.	2,958.
25 Total functional expenses. Add lines 1 through 24e	221,197,249.	209,427,563.	11,644,833.	124,853.
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	5,133.	1	5,154.
	2	Savings and temporary cash investments	12,947,225.	2	15,279,554.
	3	Pledges and grants receivable, net		3	
	4	Accounts receivable, net	9,747,478.	4	11,478,563.
	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 instructions). Complete Part II of Schedule L		6	
	7	Notes and loans receivable, net		7	
	8	Inventories for sale or use	1,788,058.	8	1,908,127.
	9	Prepaid expenses and deferred charges	1,287,625.	9	1,944,129.
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D — 10a 81,362,465.			
	b	Less: accumulated depreciation — 10b 53,505,385.	28,147,582.	10c	27,857,080.
	11	Investments – publicly traded securities	4,297,772.	11	5,243,538.
	12	Investments – other securities. See Part IV, line 11	124,320.	12	263,602.
	13	Investments – program-related. See Part IV, line 11		13	
	14	Intangible assets		14	
	15	Other assets. See Part IV, line 11	17,832,538.	15	9,948,199.
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)	76,177,731.	16	73,927,946.
LIABILITIES	17	Accounts payable and accrued expenses	11,108,930.	17	11,354,041.
	18	Grants payable		18	
	19	Deferred revenue		19	
	20	Tax-exempt bond liabilities	10,632,879.	20	9,294,278.
	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		23	
	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	18,540,126.	25	16,597,023.
	26	**Total liabilities.** Add lines 17 through 25	40,281,935.	26	37,245,342.
NET ASSETS OR FUND BALANCES		**Organizations that follow SFAS 117 (ASC 958), check here ► [X] and complete lines 27 through 29, and lines 33 and 34.**			
	27	Unrestricted net assets	33,996,280.	27	34,572,693.
	28	Temporarily restricted net assets	1,218,188.	28	1,423,583.
	29	Permanently restricted net assets	681,328.	29	686,328.
		Organizations that do not follow SFAS 117 (ASC 958), check here ► ☐ and complete lines 30 through 34.			
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building, or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
	33	Total net assets or fund balances	35,895,796.	33	36,682,604.
	34	Total liabilities and net assets/fund balances	76,177,731.	34	73,927,946.

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	222,546,799.
2	Total expenses (must equal Part IX, column (A), line 25)	2	221,197,249.
3	Revenue less expenses. Subtract line 2 from line 1	3	1,349,550.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	35,895,796.
5	Net unrealized gains (losses) on investments	5	192,532.
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) See Schedule O	9	-755,274.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	36,682,604.

Part XII Financial Statements and Reporting

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

			Yes	No
1	Accounting method used to prepare the Form 990: [ ] Cash [X] Accrual [ ] Other _____			
	If the organization changed its method of accounting from a prior year or checked 'Other,' explain in Schedule O.			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		X
	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:			
	[ ] Separate basis [ ] Consolidated basis [ ] Both consolidated and separate basis			
b	Were the organization's financial statements audited by an independent accountant?	2b	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:			
	[ ] Separate basis [X] Consolidated basis [ ] 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?	2c	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?	3a		X
b	If 'Yes,' did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	3b		

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No. 1545-0047

2012

Open to Public Inspection

Name of the organization EASTERN MAINE HEALTHCARE SYSTEMS (TAMC)
THE AROOSTOOK MEDICAL CENTER (TAMC)

Employer identification number 01-0372148

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

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

1 [ ] A church, convention of churches or association of churches described in **section 170(b)(1)(A)(i).**

2 [ ] A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E.)

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

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

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

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

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

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

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

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

11 [ ] An organization organized and operated exclusively for the benefit of, to perform the functions of, or 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 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?	**11 g (i)**		
(ii) A family member of a person described in (i) above?	**11 g (ii)**		
(iii) A 35% controlled entity of a person described in (i) or (ii) above?	**11 g (iii)**		

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

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

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

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 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** ► ☐

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 the line 14 is 33-1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ► ☐

b **33-1/3% support test – 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 ► ☐

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 ► ☐

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 ► ☐

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

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal yr 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 yr 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 lns 9, 10c, 11, and 12.)						

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

Section C. Computation of Public Support Percentage

15 Public support percentage for 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 ► ☐

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

SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

► Complete if the organization is described below. ► Attach to Form 990 or Form 990-EZ.
► See separate instructions.

OMB No. 1545-0047

2012

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 35a (Proxy Tax), then

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

Name of organization	Employer identification number
EASTERN MAINE HEALTHCARE SYSTEMS (TAMC)	01-0372148

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV.

2 Political expenditures ► $

3 Volunteer hours

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

1 Enter the amount of any excise tax incurred by the organization under section 4955 ► $ 0.

2 Enter the amount of any excise tax incurred by organization managers under section 4955 ► $ 0.

3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? ☐ Yes ☐ No

4a Was a correction made? ☐ Yes ☐ No

b If 'Yes,' describe in Part IV.

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

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ► $

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ► $

3 Total exempt function expenditures. Add lines 1 and 2. Enter here and on Form 1120-POL, line 17b ► $

4 Did the filing organization file **Form 1120-POL** for this year? ☐ Yes ☐ No

5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments. For each organization listed, enter the amount paid from the filing organization's funds. Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

	(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds. If none, enter -0-.	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization. If none, enter -0-.
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					

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

Schedule C (Form 990 or 990-EZ) 2012

TEEA3201L 12/7/12

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		
g Grassroots nontaxable amount (enter 25% of line 1f)		
h Subtract line 1g from line 1a. If zero or less, enter -0-		
i Subtract line 1f from line 1c. If zero or less, enter -0-		

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

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

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

Lobbying Expenditures During 4-Year Averaging Period

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

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

For each 'Yes' response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.	(a) Yes	(a) No	(b) Amount
See Part IV 1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a Volunteers?		X	
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		X	
c Media advertisements?		X	
d Mailings to members, legislators, or the public?		X	
e Publications, or published or broadcast statements?		X	
f Grants to other organizations for lobbying purposes?		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body?		X	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		X	
i Other activities?	X		22,532.
j Total. Add lines 1c through 1i			22,532.
2 a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		X	
b If 'Yes,' enter the amount of any tax incurred under section 4912			
c If 'Yes,' enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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	2 a	
b Carryover from last year	2 b	
c Total	2 c	
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 - Description of Lobbying Activity

18.8% OF MHA DUES ($8,916) WERE ALLOCATED TO LOBBYING.

23.98% OF AHA DUES ($3,866) WERE ALLOCATED TO LOBBYING.

100% of MDH COALITION DUES ($9,750) WERE ALLOCATED TO 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, lines 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
► Attach to Form 990. ► See separate instructions.

OMB No. 1545-0047

2012

Open to Public Inspection

Name of the organization

EASTERN MAINE HEALTHCARE SYSTEMS (TAMC)
THE AROOSTOOK MEDICAL CENTER (TAMC)

Employer identification number

01-0372148

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

9 In Part 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.

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

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

b If 'Yes,' explain the arrangement in Part 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	

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

b If 'Yes,' explain the arrangement in Part XIII. Check here if the explantion 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	(b) Prior year	(c) Two years	(d) Three years	(e) Four years
1 a Beginning of year balance	1,709,599.	1,465,995.	1,512,461.	1,412,036.	1,540,366.
b Contributions	-28,551.				
c Net investment earnings, gains, and losses	244,429.	258,319.	-32,008.	114,254.	-117,414.
d Grants or scholarships					
e Other expenditures for facilities and programs				0.	
f Administrative expenses	16,342.	14,715.	14,458.	13,829.	10,916.
g End of year balance	1,909,135.	1,709,599.	1,465,995.	1,512,461.	1,412,036.

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

a Board designated or quasi-endowment ► _____ %
b Permanent endowment ► 33.00 %
c Temporarily restricted endowment ► 67.00 %

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

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

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

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1 a Land		193,493.		193,493.
b Buildings		44,060,758.	27,734,975.	16,325,783.
c Leasehold improvements		3,242,328.	1,070,284.	2,172,044.
d Equipment		31,822,113.	24,700,126.	7,121,987.
e Other		2,043,773.		2,043,773.
Total. Add lines 1a through 1e. *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ►				27,857,080.

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

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

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

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

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

(a) Description	(b) Book value
(1) DEFERRED FINANCING COSTS, NET	109,372.
(2) DUE FROM AFFILIATES	229,720.
(3) ESTIMATED PROF LIAB CLAIMS REC	3,654,660.
(4) ESTIMATED THIRD-PARTY SETTLEMENTS	3,338,199.
(5) Interentity Receivable	156.
(6) OTHER ASSETS, NET	563,453.
(7) OTHER RECEIVABLES	2,052,639.
(8)	
(9)	
(10)	
Total. *(Column (b) must equal Form 990, Part X, column (B), line 15.)* ►	9,948,199.

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

(a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) DEFERRED COMPENSATION	4,922,100.
(3) DUE TO AFFILIATES	826,036.
(4) ESTIMATED THIRD-PARTY SETTLEMENTS	6,928,596.
(5) OTHER LIABILITIES	265,631.
(6) RESERVE FOR PROF LIAB SELF INS	3,654,660.
(7)	
(8)	
(9)	
(10)	
(11)	
Total. *(Column (b) must equal Form 990, Part X, column (B) line 25.)* ►	16,597,023.

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 ..... See Part XIII ..... [X]

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return N/A

1	Total revenue, gains, and other support per audited financial statements		1	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:			
a	Net unrealized gains on investments	2a		
b	Donated services and use of facilities	2b		
c	Recoveries of prior year grants	2c		
d	Other (Describe in Part XIII.)	2d		
e	Add lines 2a through 2d		2e	
3	Subtract line 2e from line 1		3	
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:			
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a		
b	Other (Describe in Part XIII.)	4b		
c	Add lines 4a and 4b		4c	
5	Total revenue. Add lines 3 and 4c. *(This must equal Form 990, Part I, line 12.)*		5	

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return N/A

1	Total expenses and losses per audited financial statements		1	
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:			
a	Donated services and use of facilities	2a		
b	Prior year adjustments	2b		
c	Other losses	2c		
d	Other (Describe in Part XIII.)	2d		
e	Add lines 2a through 2d		2e	
3	Subtract line 2e from line 1		3	
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:			
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a		
b	Other (Describe in Part XIII.)	4b		
c	Add lines 4a and 4b		4c	
5	Total expenses. Add lines 3 and 4c. *(This must equal Form 990, Part I, line 18.)*		5	

Part XIII Supplemental Information

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

Part V, Line 4 - Intended Uses Of Endowment Fund

PART V, LINE 4: ENDOWMENT ASSETS ARE USED FOR THE CORPORATION'S CAPITAL EQUIPMENT NEEDS

Part X - FIN 48 Footnote

The Aroostook Medical Center is a tax-exempt organization pursuant to 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

Part XIII Supplemental Information *(continued)*

Part X - FIN 48 Footnote (continued)

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 Corporation has evaluated the position taken on its filed tax return. The Corporation has concluded no uncertain income tax positions exist at September 28, 2013. The Corporation's tax years from 2010 through 2013 are open and subject to examination.

SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No. 1545-0047

2012

Open to Public Inspection

Name of the organization: EASTERN MAINE HEALTHCARE SYSTEMS (TAMC)

Employer identification number: 01-0372148

Part I Financial Assistance and Certain Other Community Benefits at Cost

		Yes	No
1a Did the organization have a financial assistance policy during the tax year? If 'No,' skip to question 6a.	1a	X	
b If 'Yes,' was it a written policy?	1b	X	
2 If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to the various hospital facilities during the tax year. ☐ Applied uniformly to all hospital facilities ☐ Applied uniformly to most hospital facilities ☐ Generally tailored to individual hospital facilities			
3 Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year.			
a Did the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing *free* care? If 'Yes,' indicate which of the following was the FPG family income limit for eligibility for free care: ☐ 100% ☐ 150% ☒ 200% ☐ Other _____ %	3a	X	
b Did the organization use FPG to determine eligibility for providing *discounted* care? If 'Yes,' indicate which of the following was the family income limit for eligibility for discounted care: ☐ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% Other _____ %	3b		X
c If the organization did not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care. Part VI			
4 Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the 'medically indigent'?	4	X	
5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	X	
b If 'Yes,' did the organization's financial assistance expenses exceed the budgeted amount?	5b	X	
c If 'Yes' to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?	5c		X
6a Did the organization prepare a community benefit report during the tax year?	6a	X	
b If 'Yes,' did the organization make it available to the public?	6b	X	
Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H.			

7 Financial Assistance and Certain Other Community Benefits at Cost

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)		1,483	1,849,705.		1,849,705.	1.78
b Medicaid (from Worksheet 3, column a)		6,435	18,398,421.	13,212,155.	5,186,266.	4.97
c Costs of other means-tested government programs (from Worksheet 3, column b)			1,117,710.		1,117,710.	1.07
d Total Financial Assistance and Means-Tested Government Programs	0	7,918	21,365,836.	13,212,155.	8,153,681.	7.82
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)	14	3,004	75,634.		75,634.	0.07
f Health professions education (from Worksheet 5)	1	55	15,623.	12,890.	2,733.	0.
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)	9	942	64,534.		64,534.	0.06
j Total. Other Benefits	24	4,001	155,791.	12,890.	142,901.	0.13
k Total. Add line 7d and 7j	24	11,919	21,521,627.	13,225,045.	8,296,582.	7.95

Part II **Community Building Activities** Complete this table if the organization conducted any community building activities during the tax year, and describe in Part VI how its community building activities promoted the health of the communities it serves.

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development						
3 Community support	2	250	1,170.		1,170.	
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy	1	150	2,635.		2,635.	
8 Workforce development						
9 Other			55,000.		55,000.	0.05
10 Total	3	400	58,805.	0.	58,805.	0.05

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

Section A. Bad Debt Expense

			Yes	No
1 Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?		1	X	
2 Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount	2	1,681,726.		
3 Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. Explain in Part VI the methodology used by the organization to estimate this amount and rationale, if any, for including this portion of bad debt as community benefit	3			
4 Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements.		Part VI		

Section B. Medicare

5 Enter total revenue received from Medicare (including DSH and IME)	5	38,940,714.
6 Enter Medicare allowable costs of care relating to payments on line 5	6	47,486,173.
7 Subtract line 6 from line 5. This is the surplus (or shortfall)	7	-8,545,459.

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

☐ Cost accounting system ☒ Cost to charge ratio ☐ Other

Section C. Collection Practices

		Yes	No
9a Did the organization have a written debt collection policy during the tax year?	9a	X	
b If 'Yes,' did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI. Part VI	9b	X	

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

	(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1	COUNTY PHYSICAL THERAPY	OUTPATIENT PHYSICAL THERAP	50.0000		
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					

Part V Facility Information

Section A. Hospital Facilities
(list in order of size, from largest to smallest – see instructions)

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

Name, address and primary website address	Licensed hospital	General medical and surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (describe)	Facility reporting group
1 THE AROOSTOOK MEDICAL CENTER 140 ACADEMY STREET PRESQUE ISLE, ME 04769	X	X					X			

Part V Facility Information *(continued)* Copy 1 of 1

Section B. Facility Policies and Practices
(Complete a separate Section B for each of the hospital facilities listed in Part V, Section A)

Name of hospital facility or facility reporting group _____

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

		Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)			
1 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If 'No,' skip to line 9	1	X	
If 'Yes,' indicate what the CHNA report describes (check all that apply):			
a [X] A definition of the community served by the hospital facility			
b [X] Demographics of the community			
c [X] Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d [X] How data was obtained			
e [X] The health needs of the community			
f [X] Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g [X] The process for identifying and prioritizing community health needs and services to meet the community health needs			
h [X] 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 [X] Other (describe in Part VI) Part VI			
2 Indicate the tax year the hospital facility last conducted a CHNA: 2011			
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 Part VI	3	X	
4 Was the hospital facility's CHNA conducted with one or more other hospital facilities? If 'Yes,' list the other hospital facilities in Part VI Part VI	4	X	
5 Did the hospital facility make its CHNA widely available to the public?	5	X	
If 'Yes,' indicate how the CHNA was made widely available (check all that apply):			
a [X] Hospital facility's website			
b [X] Available upon request from the hospital facility			
c [X] Other (describe in Part VI) 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 [X] Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA			
b [X] Execution of the implementation strategy			
c [X] Participation in the development of a community-wide plan			
d [X] Participation in the execution of a community-wide plan			
e [X] Inclusion of a community benefit section in operational plans			
f [X] Adoption of a budget for provision of services that address the needs identified in the CHNA			
g [X] Prioritization of health needs in its community			
h [X] Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i [X] Other (describe in Part VI) 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 Part VI	7		X
8a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	8a		X
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? $ _____			

Part V Facility Information *(continued)* THE AROOSTOOK MEDICAL CENTER Copy 1 of 1

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?	9	X	
10 Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	10	X	
If 'Yes,' indicate the FPG family income limit for eligibility for free care: 200 %			
If 'No,' explain in Part VI the criteria the hospital facility used.			
11 Used FPG to determine eligibility for providing *discounted* care?	11		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. Part VI			
12 Explained the basis for calculating amounts charged to patients?	12	X	
If 'Yes,' indicate the factors used in determining such amounts (check all that apply):			
a [X] Income level			
b [ ] Asset level			
c [ ] Medical indigency			
d [X] Insurance status			
e [ ] Uninsured discount			
f [X] Medicaid/Medicare			
g [ ] State regulation			
h [ ] Other (describe in Part VI)			
13 Explained the method for applying for financial assistance?	13	X	
14 Included measures to publicize the policy within the community served by the hospital facility?	14	X	
If 'Yes,' indicate how the hospital facility publicized the policy (check all that apply):			
a [X] The policy was posted on the hospital facility's website			
b [ ] The policy was attached to billing invoices			
c [X] The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d [X] The policy was posted in the hospital facility's admissions offices			
e [ ] The policy was provided, in writing, to patients on admission to the hospital facility			
f [X] The policy was available on request			
g [X] Other (describe in Part VI) 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?	15	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 the patient's eligibility under the facility's FAP:			
a [ ] Reporting to credit agency			
b [ ] Lawsuits			
c [ ] Liens on residences			
d [ ] Body attachments			
e [ ] Other similar actions (describe in Part VI)			
17 Did the hospital facility or an authorized a third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP?	17		X
If 'Yes,' check all actions in which the hospital facility or a third party engaged:			
a [ ] Reporting to credit agency			
b [ ] Lawsuits			
c [ ] Liens on residences			
d [ ] Body attachments			
e [ ] Other similar actions (describe in Part VI)			

Part V Facility Information *(continued)* THE AROOSTOOK MEDICAL CENTER Copy 1 of 1

18 Indicate which efforts the hospital facility made before initiating any of the actions checked in line 17 (check all that apply)

a [ ] Notified patients of the financial assistance policy on admission

b [ ] Notified patients of the financial assistance policy prior to discharge

c [ ] Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills

d [ ] 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

		Yes	No
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?	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 Financial 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 [X] Other (describe in Part VI) Part VI

21 During the tax year, did the hospital facility charge any of its FAP-eligible individuals, to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care?	21		X
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?	22		X
If 'Yes,' explain in Part VI.			

Part V Facility Information *(continued)*

Section C. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility
(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year? 22

Name and address	Type of Facility (describe)
5 AROOSTOOK HEALTH CENTER 15 HIGHLAND AVENUE MARS HILL, ME 04758	NURSING HOME, OUTPATIENT CLINIC
7 TAMC EYE CARE SERVICES 140 ACADEMY STREET PRESQUE ISLE, ME 04769	OUTPATIENT PHYSICIAN CLINIC
6 NORTH STREET LABORATORY 23 NORTH STREET STE 3 PRESQUE ISLE, ME 04769	OUTPATIENT LABORATORY SERVICES
1 FAMILY PRACTICE & INTERNAL MEDICINE 23 NORTH STREET STE 4 PRESQUE ISLE, ME 04769	OUTPATIENT PHYSICIAN CLINIC
2 GENERAL & VASCULAR SURGERY CTR 146 ACADEMY STREET STE 1A PRESQUE ISLE, ME 04769	OUTPATIENT PHYSICIAN CLINIC
3 OB/GYN MIDWIFERY SERVICES 140 ACADEMY STREET STE 4 PRESQUE ISLE, ME 04769	OUTPATIENT PHYSICIAN CLINIC
9 ORTHOPEDICS & SPORTS MEDICINE 140 ACADEMY STREET STE 9 PRESQUE ISLE, ME 04769	OUTPATIENT PHYSICIAN CLINIC
4 SLEEP MEDICINE SERVICES 140 ACADEMY STREET STE 2 & 3 PRESQUE ISLE, ME 04769	OUTPATIENT PHYSICIAN CLINIC
2 AROOSTOOK PEDIATRICS 23 NORTH STREET STE 1 PRESQUE ISLE, ME 04769	OUTPATIENT PHYSICIAN CLINIC
1 AROOSTOOK CANCER CARE 140 ACADEMY STREET PRESQUE ISLE, ME 04769	OUTPATIENT PHYSICIAN CLINIC

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? 22

Name and address	Type of Facility (describe)
2 AROOSTOOK HEART & LUNG CENTER 146 ACADEMY STREET STE B PRESQUE ISLE, ME 04769	OUTPATIENT PHYSICIAN CLINIC
3 OUTPATIENT SPECIALTY CLINICS 146 ACADEMY STREET STE 1C PRESQUE ISLE, ME 04769	OUTPATIENT PHYSICIAN CLINICS
1 WALK IN CARE 23 NORTH STREET STE 2 PRESQUE ISLE, ME 04769	OUTPATIENT PHYSICIAN CLINIC
7 FORT FAIRFIELD HEALTH CENTER 23 HIGH STREET FORT FAIRFIELD, ME 04742	OUTPATIENT PHYSICIAN CLINIC
6 RADIATION ONCOLOGY 140 ACADEMY STREET PRESQUE ISLE, ME 04769	OUTPATIENT PHYSICIAN CLINIC
0 ASHLAND HEALTH CENTER 33 WALKER STREET ASHLAND, ME 04759	OUTPATIENT PHYSICIAN CLINIC
9 CARIBOU HEALTH CENTER 118 BENNETT DRIVE STE 130 CARIBOU, ME 04736	OUTPATIENT PHYSICIAN CLINIC
0 MARS HILL HEALTH CENTER 106 MAIN STREET MARS HILL, ME 04758	OUTPATIENT PHYSICIAN CLINIC
5 WOMEN'S HEALTH CENTER 140 ACADEMY STREET STE 6 PRESQUE ISLE, ME 04769	OUTPATIENT PHYSICIAN CLINIC
8 TAMC NEURO REHAB 146 ACADEMY STREET STE 5 PRESQUE ISLE, ME 04769	OUTPATIENT PHYSICIAN CLINIC

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? 22

Name and address	Type of Facility (describe)
4 OCCUPATIONAL HEALTH & WELLNESS 146 ACADEMY STREET PRESQUE ISLE, ME 04769	OUTPATIENT PHYSICIAN CLINIC
8 NEPHROLOGY SERVICES 19 NORTH STREET PRESQUE ISLE, ME 04769	OUTPATIENT PHYSICIAN CLINIC

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section 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 - Charity Care Eligibility Criteria (FPG Is Not Used)

TAMC DOES NOT PROVIDE SLIDING-SCALE DISCOUNTED CARE TO LOW INCOME INDIVIDUALS. TAMC PROVIDES FINANCIAL ASSISTANCE/FREE CARE BASED ON THE FPL IF GROSS INCOME IS AT OR BELOW 200% OF THE FPL, IF THE PATIENT IS A RESIDENT OF THE STATE OF MAINE OR A NON MAINE RESIDENT SEEKING EMERGENCY CARE, IF THE SERVICE OR SUPPLIES ARE A MEDICAL NECESSITY AND IF ALL THIRD PARTY PAYOR SOURCES HAVE BEEN EXHAUSTED. HOWEVER, PATIENTS WITH SELF-PAY BALANCES WILL BE OFFERED A DISCOUNT OFF CHARGES.

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

Part I, line 6a - The TAMC community benefit report is contained in an annual community benefit report prepared by Eastern Maine Healthcare Systems which is the parent organization of all related organizations.

Part I, Line 7 - Explanation of Costing Methodology

Part I, line 7 - Worksheet 2, Ratio of Patient Care Cost-to-Charges is used in calculations.

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

Part I, line 7, Column F - $3,703,812 of bad debt expense, $4,034,653 of charity care, $109,204,615 of contractual allowances is included on Form 990, Part IX, line 25, column (A).

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section 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 III, Line 4 - Bad Debt Expense

Please see footnote "Patient and Trade Accounts Receivable" on page 8 of the Audited Financial Statements.

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

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

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

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

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

1a See Part VI - Community Information

1b The Aroostook Medical Center and its related physician practices utilize extensive electronic medical records, including disease registries, which provide a vast amount of data relative to patients in care. The needs assessment provides a much broader picture of the community as a whole, including the health status of individuals not in care, as well as functional health status and social-demographics

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section 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 V, Line 1j - Description of Other Needs Assessment (continued)

(such as employment, income and education levels). The local units of the state's public health infrastructure (known as Healthy Maine Partnerships) are also integrated into the process so that their data relative to health, environmental and social measures are part of the community dissemination process.

1c The Aroostook Medical Center engaged multiple health resource leaders in the community forum invitation list (as described in Section 1g). Additional resources and leaders needed were identified in the breakout sessions (see question for breakout participants, Section 1g). In the hospital's service area, key collaborators going forward will include Healthy Aroostook, Aroostook Area Agency on Aging, school systems, home care agencies, local hospitals, and others.

1d-1e-1f EMHS, the parent company of The Aroostook Medical Center, routinely conducts a community health needs assessment (hereafter needs assessment) across the service area of all its member hospitals. The most recent assessment, published in 2011, was conducted under a contract with the University of New England Center for Health Planning, Policy and Research (CHPPR) and the University of Southern Maine's Muskie School of Public Health. Using a methodology developed by CHPPR over decades of work, the assessment integrates primary data from a telephone survey to heads of households with secondary data retrieved from state databases (ED usage, Mortality, Cancer Registry, etc). That data is reviewed in the context of multiple health

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section 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 V, Line 1j - Description of Other Needs Assessment (continued)

related domains to develop a composite view of health status, behavioral risks, and barriers to access and care. Results are compared to national and state benchmarks to produce priorities and recommendations as prepared by the consultants.

1g See question #3.

1h On a statewide basis, the research consultants developed an advisory committee that met two times during the assessment research and drafting of the publication. These individuals represented a broad spectrum of backgrounds, and they are named: Carol Bell, Healthy Maine Partnership Director; Kelly Bentley, Healthy Maine Partnership Director; Gail Dana-Sacco, Wabanaki Center (serving tribal populations); Patricia Hart, Maine Development Foundation; Barbara Leonard, MPH, Maine Health Access Foundation (philanthropic foundation focused on access to care in Maine); Becca Matusovich, Maine Center of Disease Control; Lisa Miller, Bingham Foundation (philanthropic foundation); Dora Ann Mills, MD, Maine Center for Disease Control; Elizabeth Mitchell, Maine Health Management Coalition (representing the state's major employers, insurers and providers); Trish Riley, Governor's Office of Health Policy and Finance (GOHPF); Brian Rines, Advisory Committee for Health System Development (overseen by GOHPF); Rachel Talbot-Ross, Maine Chapter, NAACP; Ted Trainer, Public Health Coordinating Council; Shawn Yardley, City of Bangor, Department of Health and Welfare. In the local area served by the assessment,

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section 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 V, Line 1j - Description of Other Needs Assessment (continued)

multiple parties were engaged in dissemination of the assessment findings and establishment of priorities (see Section 5).

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

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

Part VI Supplemental Information

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1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section 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.

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

establishment of priorities.

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

The needs assessment was developed as a statewide collaborative between the state's three largest health systems: EMHS (in central, eastern and northern Maine), MaineGeneral (in central Maine) and MaineHealth (in southern Maine). Multiple collaborators were involved in the dissemination of the assessment findings and establishment of priorities (see Section 5).

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

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

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

Part VI Supplemental Information

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

by the research consultants.

In addition to the community forums, the entire statewide assessment (both narrative and data sets) were posted to the EMHS website. After the forums, Power Point presentations used at the Forum as well as input collection in the breakout sessions were also posted on the website. Forum participants were encouraged to go to the website to review the assessment in detail, and access the data for local planning. Media releases were also sent to local news outlets in combination with the forums, encouraging new articles on the forum and inviting all members of the public to view the report on the website.

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

Part V, Line 6i - Describe Other Needs Identified

6a The Aroostook Medical Center regularly utilizes the information in the Needs Assessment to identify and prioritize community health improvement and other activities.

6b Initiatives driven in part or in full by the Needs Assessment included continued engagement with Healthy Aroostook to provide education, participation in a youth obesity collaborative, continuation of a senior health program, coordination of

Part VI Supplemental Information

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

workforce development initiatives intended to ensure the long-term strength of the local healthcare workforce, community lectures, and a collaborative with local schools to evaluate the benefits of stability ball seating in the classroom. TAMC is also participating in the Pioneer Accountable Care pilot program designed to reduce costs and improve health outcomes, particularly among those living with chronic diseases.

6g Breakout #1 - Access, Quality and Effectiveness-Opportunities identified by a group of community stakeholders include improving access to dental health, improving transportation option, strengthening alternatives to the emergency department, increasing availability of primary care providers, improving patient education, and ensuring the use of best practices.

Breakout #2 - Chronic Disease-Opportunities identified by a group of community stakeholders include improving patient self-management, building community care teams, continued implementation of electronic health records, enhancing the use of telehealth services, expanding the role of behavior health providers, and using evidence-based guidelines in chronic disease management.

Breakout #3 - Mental Health and Substance Abuse-Opportunities identified by a group of community stakeholders include improving the integration of care, providing continuity of services, educating the community about existing services, and

Part VI Supplemental Information

Complete this part to provide the following information.

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

addressing barriers to integration of care, including high turnovers of providers. Recommendations for substance abuse include building community-level prevention programs and refining tools to help primary care and emergency departments diagnose and treat substance abuse issues.

Breakout #4 - Prevention, Obesity-Opportunities identified by a group of community stakeholders include addressing economic and literacy barriers to accessing resources, creating incentives/disincentives programs in the workplace, and making available an online resource information guide.

Part V, Line 7 - Explanation of Needs Not Addressed and Reasons Why

Because the Needs Assessment examines both broad and specific health needs for the entire region and a substantial number of opportunities were identified, a regional approach is needed to achieve the best results. As such, The Aroostook Medical Center continues to work with community partners to address the needs identified in the Needs Assessment, and the priorities in the Needs Assessment are considered when the organization develops operational plans for the year.

Part V, Line 11 - Criteria Used For Discounted Care If Not FPG

TAMC does not provide sliding-scale discounted care to low income individuals. TAMC provides financial assistance/free care based on the FPL if gross income is at or below 200% of the FPL, if the patient is a resident of the State of Maine seeking

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section 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.

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Part V, Line 11 - Criteria Used For Discounted Care If Not FPG (continued)

emergency care, if the service or supplies are a medical necessity and if all third party payor sources have been exhausted. However, patients with self-pay balances will be offered a discount off charges.

Part V, Line 14g - Other Means Hospital Facility Publicized the Policy

Visit patient rooms for self-pay admissions and offer the applications.

Part V, Line 20d - Other Billing Determination of Individuals Without Insurance

Hospital charges are discounted at 100% for patients who qualify for free care with income at or below 200% FPL.

Part VI - Needs Assessment

EMHS, THE PARENT COMPANY OF THE AROOSTOOK MEDICAL CENTER, ROUTINELY CONDUCTS A COMMUNITY HEALTH NEEDS ASSESSMENT (HEREAFTER NEEDS ASSESSMENT) ACROSS THE SERVICE AREA OF ALL OF ITS MEMBER HOSPITALS. THE MOST RECENT ASSESSMENT, PUBLISHED IN 2011, WAS CONDUCTED UNDER A CONTRACT WITH THE UNIVERSITY OF NEW ENGLAND CENTER FOR HEALTH PLANNING, POLICY AND RESEARCH (CHPPR) AND THE UNIVERSITY OF SOUTHERN MAINE'S MUSKIE SCHOOL FOR PUBLIC HEALTH. USING A METHODOLOGY DEVELOPED BY CHPPR OVER DECADES OF WORK, THE ASSESSMENT INTEGRATES PRIMARY DATA FROM A TELEPHONE SURVEY TO HEADS OF HOUSEHOLDS WITH SECONDARY DATA RETRIEVED FROM STATE DATABASES (ED USAGE, MORTALITY, CANCER REGISTRY, ETC.). THAT DATA IS REVIEWED IN THE CONTEXT OF MULTIPLE HEALTH RELATED DOMAINS TO DEVELOP A COMPOSITE VIEW OF HEALTH STATUS, BEHAVIORAL RISKS, AND

Part VI Supplemental Information

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Part VI - Needs Assessment (continued)

BARRIERS TO ACCESS AND CARE. RESULTS ARE COMPARED TO NATIONAL AND STATE BENCHMARKS TO PRODUCE PRIORITIES AND RECOMMENDATIONS AS PREPARED BY THE CONSULTANTS.

Part VI - Patient Education of Eligibility for Assistance

FINANCIAL ASSISTANCE OR FREE CARE IS AVAILABLE ONLY FOR MEDICALLY NECESSARY SERVICES. POSTERS ARE DISPLAYED IN PATIENT CARE AREAS, INFORMATION AND FORMS ARE AVAILABLE ONLINE ON THE HOSPITAL WEBSITE, AND PATIENT BILLING REPRESENTATIVES ARE ALSO AVAILABLE TO TAKE CALLS AND TO ANSWER QUESTIONS.

Part VI - Community Information

THE AROOSTOOK MEDICAL CENTER'S (TAMC) PRIMARY SERVICE AREA SERVES 27,000 PEOPLE AND INCLUDES 21 TOWNS AND 1 CITY IN CENTRAL AROOSTOOK COUNTY. THE NORTHERNMOST COUNTY IN MAINE AND THE LARGEST, AROOSTOOK COUNTY (POP. 71,870) SPANS 6,671 SQUARE MILES AND INCLUDES 2 CITIES, 54 TOWNS, 11 PLANTATIONS AND 108 UNORGANIZED TOWNSHIPS. U.S. CENSUS BUREAU DATA FROM 2010 REVEALS THE FOLLOWING AROOSTOOK COUNTY DATA:

- THE MEDIAN AGE OF AROOSTOOK COUNTY IS 45.3 YEARS. WITH 19% OF THE POPULATION 65 YEARS OF AGE OR OLDER, AROOSTOOK COUNTY HAS A HIGHER PERCENTAGE OF OLDER ADULTS THAN THE STATE OF MAINE (15.9%)AND THE UNITED STATES (13.3%). MAINE IS THE OLDEST STATE IN THE U.S.

- OVER 95% OF AROOSTOOK COUNTY IS WHITE, WHICH IS COMPARABLE WITH MAINE OVERALL. THE NEXT LARGEST RACIAL/ETHNIC GROUP IN AROOSTOOK COUNTY IS NATIVE AMERICAN (2.6%),

Part VI Supplemental Information

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Part VI - Community Information (continued)

WHICH IS MORE PROMINENT THAN IN MAINE OVERALL (1.4%).

- NEARLY 84% OF INDIVIDUALS 25 YEARS OF AGE AND OVER IN AROOSTOOK COUNTY HAVE AT LEAST A HIGH SCHOOL DIPLOMA OR EQUIVALENT AND 16.4% HAVE A BACHELOR'S DEGREE OR HIGHER. THIS IS LOWER THAN STATE (HIGH SCHOOL 90.2%, BACHELOR'S DEGREE 27.1%) AND NATIONAL AVERAGES (HIGH SCHOOL 85.4%, BACHELOR'S DEGREE 28.2%).

- THE MEDIAN HOUSEHOLD INCOME IN AROOSTOOK COUNTY ($37,138) IS CONSIDERABLY LESS THAN STATE ($47,898) AND NATIONAL ($52,762) FIGURES.

Part VI - Community Building Activities

TAMC takes a leadership role in advancing the well-being of the people of our communities. Through public health screenings, educational activities for health professionals and the community, and other activities, we seek to provide the information and tools that the people of Aroostook County need to take charge of their health. TAMC collaborates with several organizations interested in building healthy communities, including Let's Go Aroostook, an initiative that promotes healthy lifestyle choices for children, youth, and adults; the American Cancer Society; local universities and community colleges; and the Maine Winter Sports Center.

A component of the Senior Connection program, TAMC holds a monthly educational luncheon for older adults. In order to make the program affordable for all, TAMC

Part VI Supplemental Information

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Part VI - Community Building Activities (continued)

heavily subsidizes the cost of the lunch for all participants. Topics include exercise, nutrition, safety, and wellness.

TAMC leaders support community and economic development activities through participation on the boards of Aroostook Partnership for Progress, Leaders Encouraging Aroostook Development, United Way of Aroostook, Rotary, the Nordic Heritage Sport Club, and other organizations.

Part VI - Explanation Of How Organization Furthers Its Exempt Purpose

TAMC has strong ties to the Maine Winter Sports Center, an organization committed to making skiing a way of life in Northern Maine. Through direct financial and logistical support, TAMC has made it possible for youth and adults to use local facilities at a discounted rate. Many of the programs supported by TAMC are offered at no cost.

TAMC provided over 1700 free flu shots to adults in Aroostook County in 2013, including many who live with chronic diseases, at clinics in Presque Isle, Caribou, Fort Fairfield, Mars Hill, and Ashland. Press releases and other promotional materials for these vaccination clinics encouraged people with chronic diseases to get vaccinated. TAMC also held a special drive-thru flu shot clinic to allow adults with mobility challenges to get vaccinated for free. Through free flu vaccination, TAMC is helping chronic disease sufferers and others stay healthy.

Part VI Supplemental Information

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

Using the data in the EMHS Community Health Needs Assessment, TAMC collaborates with other hospitals in the EMHS system and with other community organizations on solutions to significant community healthcare problems, including cardiovascular disease, chronic disease self-management, diabetes, youth obesity, sedentary lifestyle and access to primary care providers. TAMC takes the lead role for EMHS in Aroostook County on these issues and EMHS provides support and additional resources as necessary.

Part VI - Affiliated Health Care System Roles and Promotion

TAMC USES NEEDS ASSESSMENT DATA TO COLLABORATE WITH LOCAL HOSPITALS AND OTHER EMHS MEMBER HOSPITALS TO IDENTIFY AND IMPLEMENT SOLUTIONS TO HEALTH ISSUES INCLUDING CARDIOVASCULAR DISEASE, DIABETES, YOUTH OBESITY, SUBSTANCE ABUSE, AND MORE. TAMC COORDINATES EMHS' COMMUNITY HEALTH IMPROVEMENT INITIATIVES IN AROOSTOOK COUNTY.

Part VI - States Where Community Benefit Report Filed

ME

Part V - Explanation of Number of Facility Type

N/A

SCHEDULE J
(Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

OMB No. 1545-0047

2012

Open to Public Inspection

Name of the organization: EASTERN MAINE HEALTHCARE SYSTEMS (TAMC)

Employer identification number: 01-0372148

Part I Questions Regarding Compensation

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

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

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

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

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

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns(B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus and incentive compensation	(iii) Other reportable compensation				
RICHARD DEBOWSKY, MD	(i)	429,394.	7,100.	25,739.	11,250.	17,223.	490,706.	0.
1 PRES MED STAFF	(ii)	0.	0.	0.	0.	0.	0.	0.
M. MICHELLE HOOD	(i)	0.	0.	0.	0.	0.	0.	0.
2 PRESIDENT EMHS	(ii)	691,048.	140,786.	12,420.	225,828.	22,211.	1,092,293.	0.
MICHAEL FALOON, MD	(i)	160,845.	1,050.	39,950.	9,372.	16,711.	227,928.	0.
3 VICE PRES MED S	(ii)	0.	0.	0.	0.	0.	0.	0.
SYLVIA GETMAN	(i)	243,047.	46,289.	40,451.	105,256.	24,644.	459,687.	0.
4 PRESIDENT/CEO	(ii)	0.	0.	0.	0.	0.	0.	0.
JAY REYNOLDS, MD	(i)	184,837.	0.	34,997.	17,499.	22,181.	259,514.	0.
5 VP/CMO	(ii)	0.	0.	0.	0.	0.	0.	0.
THOMAS UMPHREY	(i)	115,752.	0.	66,430.	10,148.	6,859.	199,189.	0.
6 VP/HUMAN RESOUR	(ii)	0.	0.	0.	0.	0.	0.	0.
C. BRUCE SANDSTROM	(i)	170,008.	0.	313,555.	13,750.	9,063.	506,376.	232,690.
7 VP/CFO	(ii)	0.	0.	0.	0.	0.	0.	0.
ROGER PELLI, DO	(i)	204,882.	2,533.	36,365.	13,542.	9,991.	267,313.	0.
8 CMIO	(ii)	0.	0.	0.	0.	0.	0.	0.
ROLAND JOY	(i)	139,514.	6,000.	13,196.	0.	12,356.	171,066.	0.
9 Vice President	(ii)	0.	0.	0.	0.	0.	0.	0.
GLENDA DWYER	(i)	129,260.	0.	18,900.	8,410.	11,944.	168,514.	0.
10 Vice President	(ii)	0.	0.	0.	0.	0.	0.	0.
STEPHEN MARTIN	(i)	430,871.	97,812.	42,848.	13,750.	1,825.	587,106.	0.
11 OPHTHALMOLOGIST	(ii)	0.	0.	0.	0.	0.	0.	0.
MAHENDRA SHETH	(i)	249,254.	210,000.	39,500.	11,250.	0.	510,004.	0.
12 SURGEON	(ii)	0.	0.	0.	0.	0.	0.	0.
ROBERT W. RICE MD	(i)	452,655.	0.	43,064.	11,250.	22,954.	529,923.	0.
13 SURGEON	(ii)	0.	0.	0.	0.	0.	0.	0.
DEENESH SAHAJPAL	(i)	391,172.	48,500.	34,355.	0.	20,301.	494,328.	0.
14 SURGEON	(ii)	0.	0.	0.	0.	0.	0.	0.
VENKATRAM NETHALA	(i)	403,339.	0.	40,607.	6,761.	22,206.	472,913.	0.
15 SURGEON	(ii)	0.	0.	0.	0.	0.	0.	0.
DAVID PETERSON	(i)	0.	0.	106,977.	0.	0.	106,977.	106,977.
16 CEO	(ii)	0.	0.	0.	0.	0.	0.	0.

Part III Supplemental Information

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

Part I, Line 4 - Received Severance, Supplemental NQ Retirement, Equity-Based Compensation

Sylvia Getman's deferred compensation account was credited with a deposit of $102,900.

Jay Reynolds' deferred compensation account was credited with a deposit of $5,000.

Thomas Umphrey - Compensation includes payment of $22,611 in lieu of deferred compensation deposit.

David Peterson - Compensation includes payout of $106,977 supplemental nonqualified retirement plan. Existence of the nonqualified plan was reported in prior years and this amount does not represent additional expense beyond what was previously accrued in the company's financial statements.

C. Bruce Sandstrom - Compensation includes payout of $272,219 supplemental nonqualified retirement plan. $232,690 of the total payout was reported in prior years and does not represent additional expense beyond what was previously accrued in the company's finanial statements.

Part III Supplemental Information

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

Part I, Line 4 - Received Severance, Supplemental NQ Retirement, Equity-Based Compensation (continued)

Mary Michelle Hood - A pension obligation satisfied through a supplemental non-qualified retirement plan is based on a percent of qualified earnings or by specific agreement. The portion accrued for the supplemental non-qualified retirement plan is $206,128 based on the amounts contributed and related earnings. The supplemental non-qualified retirement benefit is subject to a substantial risk of forfeiture.

Part I, Line 7 - Non-Fixed Payments Not Listed

The amounts entered in Part II, B(ii) represent productivity incentive bonuses for the MD's.

SCHEDULE K
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

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

OMB No. 1545-0047

2012

Open to Public Inspection

Name of the organization: EASTERN MAINE HEALTHCARE SYSTEMS (TAMC)

Employer identification number: 01-0372148

Part I Bond Issues

	(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased Yes	(g) Defeased No	(h) On behalf of issuer Yes	(h) On behalf of issuer No	(i) Pooled financing Yes	(i) Pooled financing No
A	MAINE HEALTH & HIGHER EDUC	01-0314384	560427JF4	6/24/2010	7,683,726.	REFUNDING OF 2001A BOND ISSUE		X		X	X	
B	MAINE HEALTH & HIGHER EDU	01-0314384	560427EU4	6/28/2012	6,190,715.	REFUNDING OF 2002A BOND ISSUE		X		X	X	
C												
D												

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	2,155,000.	505,000.		
2	Amount of bonds legally defeased				
3	Total proceeds of issue	10,166,849.	7,531,015.		
4	Gross proceeds in reserve funds	976,550.	713,650.		
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrows	5,590,000.	5,595,000.		
7	Issuance costs from proceeds	87,568.	77,586.		
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds	1,379.	464.		
10	Capital expenditures from proceeds				
11	Other spent proceeds	3,511,352.	1,144,315.		
12	Other unspent proceeds				
13	Year of substantial completion	2001	2004		

		A Yes	A No	B Yes	B No	C Yes	C No	D Yes	D No
14	Were the bonds issued as part of a current refunding issue?		X		X				
15	Were the bonds issued as part of an advance refunding issue?	X		X					
16	Has the final allocation of proceeds been made?	X		X					
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X					

Part III Private Business Use

		A Yes	A No	B Yes	B No	C Yes	C No	D Yes	D 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				
2	Are there any lease arrangements that may result in private business use of bond-financed property?		X		X				

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

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				
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				
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?								
8a Has there been a sale or disposition of any of the bond-financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X		X				
b If 'Yes', to line 8a, enter the percentage of bond-financed property sold or disosed 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					

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				
2 If 'No' to line 1, did the following apply?								
a Rebate not due yet?	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				
4a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X		X				
b Name of provider								
c Term of hedge								
d Was the hedge superintegrated?								
e Was the hedge terminated?								

Part IV Arbitage *(Continued)*

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

Part V Procedures To Undertake Corrective Action

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
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?	X		X					

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

Additional Information

Part II, line 3, column A, does not equal Part I, line A, column E as a result of other sources of funds from DSF-Interest, DSF-Principal, and DSRF balance totaling $2,483,123. Part II, line 3, column B, does not equal Part I, line B, column E as a result of other sources of funds from DSF-Interest, DSF-Principal, and DSRF balance totaling $1,340,300.

Part IV, line 7 - The issuer (MHHEFA) has established written procedures to monitor the requirements of Section 148. The organization has entered into a tax regulatory agreement with the issuer that requires the organization to comply with the requirements of Section 148. The organization is working to establish its own written procedures to monitor such requirements.

SCHEDULE L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions With Interested Persons

► Complete if the organization answered 'Yes' on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, 28c, or Form 990-EZ, Part V, line 38a or 40b.
► Attach to Form 990 or Form 990-EZ. ► See separate instructions.

OMB No. 1545-0047

2012

Open to Public Inspection

Name of the organization: EASTERN MAINE HEALTHCARE SYSTEMS (TAMC)
THE AROOSTOOK MEDICAL CENTER (TAMC)

Employer identification number: 01-0372148

Part I Excess Benefit Transactions (section 501(c)(3) and section 501(c)(4) organizations only).

Complete if the organization answered 'Yes' on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b.

1	(a) Name of disqualified person	(b) Relationship between disqualified person and organization	(c) Description of transaction	(d) Corrected? Yes	(d) Corrected? No
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					

2 Enter the amount of tax incurred by the organization managers or disqualified persons during the year under section 4958 ► $

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization ► $

Part II Loans to and/or From Interested Persons.

Complete if the organization answered 'Yes' on Form 990-EZ, Page V, line 38a or Form 990, Part IV, line 26; or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22.

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization? To	(d) From	(e) Original principal amount	(f) Balance due	(g) In default? Yes	(g) No	(h) Approved by board or committee? Yes	(h) No	(i) Written agreement? Yes	(i) No
(1)												
(2)												
(3)												
(4)												
(5)												
(6)												
(7)												
(8)												
(9)												
(10)												
Total ► $												

Part III Grants or Assistance Benefiting Interested Persons.

Complete if the organization answered 'Yes' on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of assistance	(d) Type of Assistance	(e) Purpose of assistance
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				
(7)				
(8)				
(9)				
(10)				

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

Part IV **Business Transactions Involving Interested Persons.**
Complete if the organization answered 'Yes' on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues? Yes	No
(1) BEVERLY MCCRUM	SPOUSE OF DIRE	23,819.	EMPLOYED BY ORGANIZATI		X
(2)					
(3)					
(4)					
(5)					
(6)					
(7)					
(8)					
(9)					
(10)					

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

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: EASTERN MAINE HEALTHCARE SYSTEMS (TAMC)
THE AROOSTOOK MEDICAL CENTER (TAMC)

Employer identification number: 01-0372148

Schedule K, Part 1, Column E

The issue price listed is The Aroostook Medical Center's share of the total pool issue amount of $96,755,000.

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

PROVISION OF ACUTE & SUBACUTE HOSPITAL CARE RELATED TO OUTPATIENT CLINICS AND HEALTH CARE SERVICES. SERVED 29,248 PATIENT DAYS OF ROUTINE SERVICES AND 82,145 OUTPATIENTS. PROVIDED SERVICES REGARDLESS OF ABILITY TO PAY AS WELL AS EDUCATION AND PROMOTION OF HEALTH. PROVIDED OTHER UNCOMPENSATED CARE (AT COST) OF $1,681,726.

Please see the following excerpt from the EMHS Annual Report to the Community for details of community benefit projects by TAMC.

Leadership: Sylvia Getman, President and CEO; and Lynn M. Lombard, Board Chair
Location: Presque Isle, Caribou, Fort Fairfield, Mars Hill, and Ashland
Employees: 1,000
Description: The Aroostook Medical Center (TAMC) is Aroostook County's leading provider of healthcare services, an advocate for the people we serve, and the area's largest employer. We are a nonprofit organization with passionate employees dedicated to serving the healthcare needs of the people of Aroostook County with outstanding skill and compassion. We work closely with our partners to bring the best technology, physicians, and standards of care to the people of northern Maine.

TAMC highlights
-Invited by the Joint Commission to participate in a Patient-Centered Medical Home pilot survey, placing TAMC in the lead role in the outpatient medical home model in northern Maine.

Name of the organization EASTERN MAINE HEALTHCARE SYSTEMS (TAMC)
THE AROOSTOOK MEDICAL CENTER (TAMC)

Employer identification number 01-0372148

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

-Awarded a nearly $195,000 grant by Maine Health Access Foundation to connect patients with primary care and help drive down the number of frequent emergency department visits.

-Became the first hospital in Maine and second in the nation to convert to heating and cooling using compressed natural gas (CNG); projected savings of $400,000 to $500,000 annually.

-Earned both the Exceeding Patient Expectations Award and the prestigious Blue Sail award for innovation from Avatar Solutions.

-Named one of the nation's top 25 "Most Wired" small and rural hospitals by the American Hospital Association.

-Opened the County Cancer Hall of Courage to honor and recognize cancer survivors and to inspire others who are currently being treated for cancer.

Total Community Benefit: $16,820,239

Community Health Improvement Services: $64,532

Community Building Activities: $1,567

Community Benefit Operations: $55,000

Unrecoverable interest cost on funds used to subsidize state MaineCare/Medicaid underpayments of $12.3M; $1,117,710

Traditional Charity Care: $1,849,705

Unpaid Cost of Public Programs: Medicaid: $5,186,266 Medicare: $8,545,459

Philanthropy: $80,265

Form 990, Part III, Line 4d - Other Program Services Description

CHARITY CARE PROVIDED (AT COST). 1483 PERSONS SERVED

EXPENSES $1,851,205. INCLUDING GRANTS OF $0. REVENUE $1,500.

Name of the organization: EASTERN MAINE HEALTHCARE SYSTEMS (TAMC)
THE AROOSTOOK MEDICAL CENTER (TAMC)

Employer identification number: 01-0372148

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

The Aroostook Medical Center (the "Corporation") is a Maine nonprofit corporation. Eastern Maine Healthcare Systems ("EMHS"), also a Maine nonprofit corporation, is the sole corporate member of the Corporation.

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

Each year at their annual meeting, the directors elect replacements for those directors whose terms are expiring. Election of directors is subject to ratification by the EMHS Board of Directors.

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

EMHS has authority to approve or disapprove amendments to the Corporation's articles of incorporation, amendments to its bylaws, its budget and its strategic plan, and to appoint and remove the president of the Corporation.

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

THE FORM 990 IS PROVIDED IN ADVANCE TO THE ORGANIZATION'S BOARD OF DIRECTORS' AND IS THEN REVIEWED BY THE CFO AT A MONTHLY BOARD OF DIRECTORS' MEETING.

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

A LIST OF ALL OFFICERS, DIRECTORS OR TRUSTEES AND KEY EMPLOYEES IS COMPILED EACH FISCAL YEAR. CONFLICT OF INTEREST REQUEST FORMS ARE DELIVERED TO EACH PERSON ON THE LIST. RESPONSES ARE COMPILED AND REVIEWED BY STAFF AND PRESENTED TO MANAGEMENT.

Form 990, Part VI, Line 15a - Compensation Review & Approval Process - CEO, Top Management

ANNUALLY, A COMMITTEE COMPRISED OF MEMBERS OF THE BOARD OF DIRECTORS EVALUATES THE SALARY OF THE ORGANIZATION'S CEO. THE COMMITTEE USES EXTERNAL COMPARABILITY DATA TO DETERMINE A FAIR LEVEL OF COMPENSATION.

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

NO DOCUMENTS TO THE PUBLIC.

Form 990, Part XI, Line 9
Other Changes In Net Assets Or Fund Balances

Transfer to exempt parent - Eastern Maine Healthcare Systems.....	$	-755,274.
Total	$	-755,274.

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No. 1545-0047

2012

Open to Public Inspection

Name of the organization: EASTERN MAINE HEALTHCARE SYSTEMS (TAMC) THE AROOSTOOK MEDICAL CENTER (TAMC)

Employer identification number: 01-0372148

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Sec 512(b)(13) controlled entity? Yes	No
(1) EASTERN MAINE HEALTHCARE SYSTEMS (43 WHITING HILL ROAD BREWER, ME 04412 01-0527066	SUPPORTING ORGANIZATION FOR HEALTHCARE AFFILIATES	ME	501(C)(3)	11 TYPE III Func Int	-	X	
(2) EASTERN MAINE HEALTHCARE REAL ESTA 43 WHITING HILL ROAD BREWER, ME 04412 01-0391036	LEASES REAL ESTATE	ME	501(C)(2)		EMHS	X	
(3) ACADIA HOSPITAL CORPORATION (AHC) 43 WHITING HILL ROAD BREWER, ME 04412 01-0459837	PROVIDE HEALTHCARE SERVICES	ME	501(C)(3)	3	EMHS	X	
(4) ACADIA HEALTHCARE, INC. (AHI) 43 WHITING HILL ROAD BREWER, ME 04412 22-3183888	PROVIDE HEALTHCARE SERVICES	ME	501(C)(3)	9	AHC	X	

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
See Part VII												
(1) BEACON HEALTH, L 43 Whiting Hill Brewer, ME 04412 45-2967056	Accountable care organization	ME	EMHS	N/A	N/A	N/A	N	A	N/A	N	A	
(2)												
(3)												

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Sec 512(b)(13) controlled entity? Yes	(i) No
(1) AFFILIATED HEALTHCARE SYSTEMS PO Box 940 BANGOR, ME 04402-0940 01-0385322	HOLDING CO.	ME	EMHS	C CORP	0.	0.		X	
(2) AFFILIATED HEALTHCARE MANAGEME PO Box 811 BANGOR, ME 04402-0811 01-0349339	HLTHCR MGMT	ME	AHS	C CORP	0.	0.		X	
(3) AFFILIATED LABORATORY, INC. PO Box 638 BANGOR, ME 04402-0638 01-0381283	CLINICAL LA	ME	AHS	C CORP	0.	0.		X	

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

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

			Yes	No
1	During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?			
a	Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties or **(iv)** rent from a controlled entity	1a	X	
b	Gift, grant, or capital contribution to related organization(s)	1b		X
c	Gift, grant, or capital contribution from related organization(s)	1c	X	
d	Loans or loan guarantees to or for related organization(s)	1d		X
e	Loans or loan guarantees by related organization(s)	1e		X
f	Dividends from related organization(s)	1f		X
g	Sale of assets to related organization(s)	1g		X
h	Purchase of assets from related organization(s)	1h		X
i	Exchange of assets with related organization(s)	1i		X
j	Lease of facilities, equipment, or other assets to related organization(s)	1j		X
k	Lease of facilities, equipment, or other assets from related organization(s)	1k	X	
l	Performance of services or membership or fundraising solicitations for related organization(s)	1l	X	
m	Performance of services or membership or fundraising solicitations by related organization(s)	1m	X	
n	Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n		X
o	Sharing of paid employees with related organization(s)	1o		X
p	Reimbursement paid to related organization(s) for expenses	1p	X	
q	Reimbursement paid by related organization(s) for expenses	1q		X
r	Other transfer of cash or property to related organization(s)	1r	X	
s	Other transfer of cash or property from related organization(s)	1s		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) EASTERN MAINE HEALTHCARE SYSTEMS (EMHS)	m	1,665,219.	FMV
(2) EASTERN MAINE HEALTHCARE SYSTEMS (EMHS)	p	7,625,974.	FMV
(3) EASTERN MAINE HEALTHCARE SYSTEMS (EMHS)	r	755,274.	FMV
(4) EASTERN MAINE MEDICAL CENTER (EMMC)	m	311,131.	FMV
(5) EASTERN MAINE MEDICAL CENTER (EMMC)	p	192,823.	FMV
(6) EMHS FOUNDATION	m	55,000.	FMV

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

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

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under section 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 Form (1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	
(1)													
(2)													
(3)													
(4)													
(5)													
(6)													
(7)													
(8)													

Part VII Supplemental Information

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

Part III - Partnership Full Name, Address, FEIN

BEACON HEALTH, LLC 45-2967056 43 Whiting Hill Road Brewer, ME 04412

Part II **Continuation of Identification of Related Tax-Exempt Organizations**

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Exempt Code section	(E) Public charity status (if section 501(c)(3))	(F) Direct controlling entity	(G) Sec 512(b)(13) controlled entity? Yes	No
MEADOW WOOD, LLC 43 WHITING HILL ROAD BREWER, ME 04412 27-2935243	PROVIDE PATIENT CARE	ME	501(C)(3)	9	AHI	X	
EASTERN MAINE MEDICAL CENTER (EMMC) PO BOX 404, 489 STATE STREET BANGOR, ME 04402-0404 01-0211501	PROVIDE HEALTHCARE SERVICES	ME	501(C)(3)	3	EMHS	X	
EASTERN MAINE MEDICAL CENTER AUXILIA 43 WHITING HILL ROAD BREWER, ME 04412 01-0377901	FUND RAISING FOR EXEMPT EASTERN MAINE MEDICAL CENTER	ME	501(C)(3)	9	EMMC	X	
NORUMBEGA MEDICAL SPECIALISTS, LTD. 43 WHITING HILL ROAD, STE 400 BREWER, ME 04412 01-0465231	PROVIDE PATIENT CARE AND EDUCATION	ME	501(C)(3)	9	EMMC	X	
EMHS FOUNDATION 43 WHITING HILL ROAD, STE 400 BREWER, ME 04412 22-2514163	RAISE AND MANAGE FUNDS FOR EXEMPT ORGANIZATIONS	ME	501(C)(3)	11 TYPE II	EMHS	X	
ME INSTITUTE FOR HUMAN GENETICS & HE 43 WHITING HILL ROAD BREWER, ME 04412 55-0894346	BIOMEDICAL RESEARCH AND DEVELOPMENT	ME	501(c)(3)	9	EMHS	X	
ROSSCARE 43 WHITING HILL ROAD, STE 400 BREWER, ME 04412 01-0391038	PROVIDE SERVICES TO ELDERLY	ME	501(C)(3)	PF	EMHS	X	
ROSSCARE NURSING HOMES, INC 43 WHITING HILL ROAD, STE 400 BREWER, ME 04412 01-0430751	OPERATION OF NURSING HOMES	ME	501(C)(3)	9	ROSSCARE	X	
INLAND HOSPITAL 200 KENNEDY MEMORIAL DRIVE WATERVILLE, ME 04901 01-0217211	PROVIDE HEALTHCARE SERVICES	ME	501(C)(3)	3	EMHS	X	

Part II Continuation of Identification of Related Tax-Exempt Organizations

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Exempt Code section	(E) Public charity status (if section 501(c)(3))	(F) Direct controlling entity	(G) Sec 512(b)(13) controlled entity? Yes	No
LAKEWOOD, A CONTINUING CARE CENTER 220 KENNEDY MEMORIAL DRIVE WATERVILLE, ME 04901 01-0421234	PROVIDE SKILLED AND LONG-TERM NURSING CARE	ME	501(C)(3)	3	INLAND HOSPITAL	X	
C.A. DEAN MEMORIAL HOSP PRITHAM AVENUE PO BOX 1129 GREENVILLE, ME 04441-1129 04-3341666	PROVIDE HEALTHCARE SERVICES	ME	501(C)(3)	3	EMHS	X	
BLUE HILL MEMORIAL HOSPITAL 57 WATER STREET BLUE HILL, ME 04614-5231 01-0227195	PROVIDE HEALTHCARE SERVICES	ME	501(C)(3)	3	EMHS	X	
EASTERN MAINE HOMECARE PO BOX 688 CARIBOU, ME 04736 01-0328442	PROVIDE HOME HEALTH AND HOSPICE SERVICES	ME	501(C)(3)	9	EMHS	X	
SEBASTICOOK VALLEY HEALTH (SVH) 447 NORTH MAIN STREET PITTSFIELD, ME 04967 01-0263628	CRITICAL CARE HOSPITAL	ME	501(C)(3)	3	EMHS	X	
SEBASTICOOK VALLEY FAMILY PRACTICE A 447 NORTH MAIN STREET PITTSFIELD, ME 04967 01-1357854	PROVIDE PATIENT CARE	ME	501(C)(3)	9	SVH	X	
TAMC TITLE CORP. PO BOX 151, 140 ACADEMY STREET PRESQUE ISLE, ME 04769-0151 01-0389226	REAL ESTATE HOLDING COMPANY	ME	501(C)(2)	-	TAMC	X	
TAMC ENDOWMENTS PO BOX 151, 140 ACADEMY STREET PRESQUE ISLE, ME 04769 01-0389222	RAISE FUNDS FOR EXEMPT ORGANIZATIONS	ME	501(C)(3)	11 TYPE I	TAMC	X	
HORIZONS HEALTH SERVICES PO BOX 151, 140 ACADEMY STREET PRESQUE ISLE, ME 04769 01-0504393	PROVIDE PATIENT CARE	ME	501(C)(3)	3	TAMC	X	

Part II **Continuation of Identification of Related Tax-Exempt Organizations**

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Exempt Code section	(E) Public charity status (if section 501(c)(3))	(F) Direct controlling entity	(G) Sec 512(b)(13) controlled entity? Yes	No
SEBASTICOOK VALLEY WORK HEALTH, LLC 447 NORTH MAIN STREET PITTSFIELD, ME 04967 45-3359446	PROVIDE PATIENT CARE	ME	501(c)(3)	3	SVH	X	
RESTORATION HEALTH, LLC 43 Whiting Hill Road Brewer, ME 04412 35-2449986	Provide mental & behavioral hlth srvs	ME	501(c)(3)	9	AHI	X	

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

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Type of entity (C corp, S corp, or trust)	(F) Share of total income	(G) Share of end-of-year assets	(H) Percentage ownership	(I) Section 512 (b)(13) controlled entity? Yes	No
AFFILIATED MATERIEL SERVICES PO Box 1300 BANGOR, ME 04402-1300 01-0381189	PURCHASING	ME	AHS	C CORP	0.	0.		X	
AFFILIATED PHARMACY SERVICES 917 Union St, Suite 7 BANGOR, ME 04401 01-0587230	PHARMACY	ME	AHS	C CORP	0.	0.		X	
DE COLLECTIONS D/B/A AFFILIATE PO Box 2759 BANGOR, ME 04402-2759 01-0366209	COLLECTIONS	ME	AHS	C CORP	0.	0.		X	
MERIDIAN MOBILE HEALTH, LLC 931 Union Street, PO Box 940 BANGOR, ME 04402-0940 01-0512673	AMBULANCE	ME	AHS	C CORP	0.	0.		X	
MAINE NETWORK FOR HEALTH PO Box 2813 BANGOR, ME 04402-2813 01-0496352	SUPPORT SRV	ME	EMHS	C CORP	0.	0.		X	
DIRIGO PINES RETIREMENT COMM, 9 Alumni Drive ORONO, ME 04473 01-0537924	HOLDING CO.	ME	AHS	C CORP	0.	0.		X	
DIRIGO PINES INN, LLC 9 Alumni Drive ORONO, ME 04473 02-0547749	CONTIN CARE	ME	ROSSCARE	C CORP	0.	0.		X	
DIRIGO FUNDING, LLC 9 Alumni Drive ORONO, ME 04473 01-0599968	PROV FINANC	ME	AHS	C CORP	0.	0.		X	

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

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Type of entity (C corp, S corp, or trust)	(F) Share of total income	(G) Share of end-of-year assets	(H) Percentage ownership	(I) Section 512 (b)(13) controlled entity? Yes	No
DIRIGO PINES DEVELOPMENT COMPA 9 Alumni Drive ORONO, ME 04473 01-0537924	RETCOTTAG	ME	AHS	C CORP	0.	0.		X	
M DRUG, LLC PO Box 1779 Bangor, ME 04402-1779 27-2175482	Pharmacy	ME	AHS	C Corp	0.	0.		X	
ALLIANCE HEALTH DOCUMENTATION, 9 Central Street, Ste 205 Bangor, ME 04401 46-2751855	Transcripti	ME	AHS	C Corp	0.	0.		X	

Part V Continuation of Transactions With Related Organizations (Schedule R (Form 990), Part V, line 2)

(A) Name of other organization	(B) Transaction type (a-s)	(C) Amount involved	(D) Method of determining amount involved
ROSSCARE	l	92,625.	FMV
EASTERN MAINE HOMECARE	a	2,040.	FMV
EASTERN MAINE HOMECARE	l	83,087.	FMV
TAMC TITLE CORP	k	59,455.	FMV
TAMC ENDOWMENTS	c	5,342.	FMV
BEACON HEALTH, LLC	l	265,467.	FMV
AFFILIATED LABORATORY, INC	m	489,681.	FMV
AFFILIATED MATERIEL SERVICES	p	218,395.	FMV

Form **8868**
(Rev January 2013)
Department of the Treasury
Internal Revenue Service

Application for Extension of Time To File an Exempt Organization Return

► File a separate application for each return.

OMB No. 1545-1709

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

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

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

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

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

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

Enter filer's identifying number, see instructions

Type or print File by the due date for filing your return. See instructions.	Name of exempt organization or other filer, see instructions. THE AROOSTOOK MEDICAL CENTER	Employer identification number (EIN) or 01-0372148
	Number, street, and room or suite number. If a P.O. box, see instructions. P.O. BOX 151	Social security number (SSN)
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. PRESQUE ISLE, ME 04769	

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

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

- The books are in the care of ► C. BRUCE SANDSTROM, VP, CFO

Telephone No. ► 207-768-4250 FAX No. ►

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

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until 5/15, 20 14, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
► [ ] calendar year 20 ____ or
► [X] tax year beginning 9/30, 20 12, and ending 9/28, 20 13.

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

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

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

BAA For Privacy Act and Paperwork Reduction Act Notice, see instructions.

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

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

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

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

Enter filer's identifying number, see instructions

Type or print	Name of exempt organization or other filer, see instructions.	Employer identification number (EIN) or
	THE AROOSTOOK MEDICAL CENTER	01-0372148
File by the extended due date for filing your return. See instructions.	Number, street, and room or suite number. If a P.O. box, see instructions. EASTERN MAINE HEALTHCARE SYSTEMS 43 WHITING HILL RD	Social security number (SSN)
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. BREWER, ME 04412-1005	

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

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

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

- The books are in care of ► C. BRUCE SANDSTROM, VP, CFO
  Telephone No. ► 207-768-4250 FAX No. ►
- If the organization does not have an office or place of business in the United States, check this box ..... ► [ ]
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) .... _____ . If this is for the whole group, check this box ... ► [ ] . If it is for part of the group, check this box ► [ ] and attach a list with the names and EINs of all members the extension is for.

4 I request an additional 3-month extension of time until 8/15, 20 14.

5 For calendar year ____ , or other tax year beginning 9/30, 20 12, and ending 9/28, 20 13.

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

7 State in detail why you need the extension ... Taxpayer respectfully requests additional time to gather information necessary to file a complete and accurate tax return.

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

Signature and Verification must be completed for Part II only.

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

Signature ► Title ► VICE PRESIDENT, CFO Date ► 4-8-14

Department of Treasury
Internal Revenue Service
Ogden UT 84201

Notice	CP211A
Tax period	September 30, 2013
Notice date	March 3, 2014
Employer ID number	01-0372148
To contact us	Phone 1-877-829-5500 FAX 801-620-5670

099839.417963.32754.3842 1 AB 0.406 370

EASTERN MAINE HEALTHCARE SYSTEMS
THE AROOSTOOK MEDICAL CENTER
PO BOX 151
PRESQUE ISLE ME 04769-0151

099839

Important information about your September 30, 2013 Form 990

We approved your Form 8868, Application for Extension of Time To File an Exempt Organization Return

We approved the Form 8868 for your September 30, 2013 Form 990.

Your new due date is May 15, 2014.

What you need to do

File your September 30, 2013 Form 990 by May 15, 2014. We encourage you to use electronic filing—the fastest and easiest way to file.

Visit www.irs.gov/charities to learn about approved e-File providers, what types of returns can be filed electronically, and whether you are required to file electronically.

Additional information

- Visit www.irs.gov/cp211a.
- For tax forms, instructions, and publications, visit www.irs.gov or call 1-800-TAX-FORM (1-800-829-3676).
- Keep this notice for your records.

If you need assistance, please don't hesitate to contact us.

Department of Treasury
Internal Revenue Service
Ogden UT 84201

MAY 1 9 2014

Notice	CP211A
Tax period	September 30, 2013
Notice date	May 26, 2014
Employer ID number	01-0372148
To contact us	Phone 1-877-829-5500 FAX 801-620-5670

101020.445601.64707.7003 1 AB 0.406 370

EASTERN MAINE HEALTHCARE SYSTEMS
THE AROOSTOOK MEDICAL CENTER
PO BOX 151
PRESQUE ISLE ME 04769-0151

101020

Important information about your September 30, 2013 Form 990

We approved your Form 8868, Application for Extension of Time To File an Exempt Organization Return

We approved the Form 8868 for your September 30, 2013 Form 990.

Your new due date is August 15, 2014.

What you need to do

File your September 30, 2013 Form 990 by August 15, 2014. We encourage you to use electronic filing—the fastest and easiest way to file.

Visit www.irs.gov/charities to learn about approved e-File providers, what types of returns can be filed electronically, and whether you are required to file electronically.

Additional information

- Visit www.irs.gov/cp211a.
- For tax forms, instructions, and publications, visit www.irs.gov or call 1-800-TAX-FORM (1-800-829-3676).
- Keep this notice for your records.

If you need assistance, please don't hesitate to contact us.

pc Christine

BerryDunn

THE AROOSTOOK MEDICAL CENTER AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

and

SUPPLEMENTARY INFORMATION

September 28, 2013 and September 29, 2012

With Independent Auditor's Report

THE AROOSTOOK MEDICAL CENTER AND SUBSIDIARIES

Consolidated Financial Statements
and Supplementary Information

Years Ended September 28, 2013 and September 29, 2012

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BerryDunn

INDEPENDENT AUDITOR'S REPORT

Board of Directors
The Aroostook Medical Center

We have audited the accompanying consolidated financial statements of The Aroostook Medical Center and Subsidiaries, which comprise the consolidated balance sheet as of September 28, 2013, and the related consolidated statements of operations, changes in net assets and cash flows for the year 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 consolidated financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Aroostook Medical Center and Subsidiaries as of September 28, 2013, and the results of their operations, their changes in net assets, and their cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

Other Matters

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The consolidating financial information and detail of net patient service revenue, sales and contract revenue and other revenue, and operating expenses are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The September 29, 2012 supplementary information on Pages 27 through 29 was subjected to the auditing procedures applied in the 2012 audit of the basic financial statements by other auditors, whose report on such information stated that it was fairly stated in all material respects in relation to the 2012 consolidated financial statements as a whole.

Prior Period Financial Statements

The consolidated financial statements of The Aroostook Medical Center and Subsidiaries as of September 29, 2012 were audited by other auditors whose report dated November 21, 2012, expressed an unmodified opinion on those statements.

Berry Dunn McNeil & Parker, LLC

Portland, Maine
December 23, 2013

THE AROOSTOOK MEDICAL CENTER AND SUBSIDIARIES

Consolidated Balance Sheets

September 28, 2013 and September 29, 2012

ASSETS

	2013	2012
Current assets		
Cash and cash equivalents	$ 3,075,955	$ 4,478,136
Assets held in trust under bond indentures	416,331	373,849
Patient and trade accounts receivable, less allowance for doubtful accounts of $3,937,434 in 2013 and $5,453,079 in 2012	11,478,562	9,747,478
Estimated third-party payor settlements	2,149,301	1,767,481
Due from Eastern Maine Healthcare Systems	229,720	37,185
Other receivables	2,052,639	564,215
Inventories	1,908,127	1,788,058
Prepaid expenses	1,954,749	1,297,729
Total current assets	23,265,384	20,054,131
Property, plant and equipment, net	28,099,805	28,398,859
Assets whose use is limited or restricted		
Deferred compensation and benefits	4,972,115	3,888,706
Board designated funded depreciation and other	10,260,338	6,772,705
Temporarily donor-restricted	3,358,295	2,809,711
Permanently donor-restricted	1,714,409	1,707,025
Total assets whose use is limited or restricted	20,305,157	15,178,147
Other assets		
Estimated settlements receivable from the State of Maine	1,188,898	10,987,596
Deferred financing costs, net	109,372	137,662
Other assets, net	4,218,113	4,338,399
	5,516,383	15,463,657
Total assets	$ 77,186,729	$ 79,094,794

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

LIABILITIES AND NET ASSETS

	2013	2012
Current liabilities		
Accounts payable	**$ 3,896,241**	$ 4,241,627
Due to Eastern Maine Healthcare Systems	**826,036**	611,065
Accrued expenses and other	**7,459,339**	6,862,980
Estimated third-party payor settlements	**5,186,763**	7,306,754
Current portion of long-term debt	**1,285,000**	1,269,533
Total current liabilities	**18,653,379**	20,291,959
Accrual for self insurance and postretirement benefits	**8,634,455**	7,548,705
Estimated third-party settlements	**1,741,833**	2,896,300
Other liabilities	**207,936**	178,864
Long-term debt, net of current portion		
Bonds payable	**8,009,278**	9,387,879
Mortgages	**-**	2,082
	8,009,278	9,389,961
Total liabilities	**37,246,881**	40,305,789
Commitments and contingencies (Notes 15 and 16)		
Net assets		
Unrestricted net assets	**34,867,144**	34,272,269
Temporarily restricted net assets	**3,358,295**	2,809,711
Permanently restricted net assets	**1,714,409**	1,707,025
Total net assets	**39,939,848**	38,789,005
Total liabilities and net assets	**$ 77,186,729**	$ 79,094,794

THE AROOSTOOK MEDICAL CENTER AND SUBSIDIARIES

Consolidated Statements of Operations

Years Ended September 28, 2013 and September 29, 2012

	2013	2012
Unrestricted revenues, gains, and other support		
Patient service revenue (net of contractual allowances and discounts)	$ 104,996,919	$ 100,697,844
Less provision for bad debts	3,703,812	3,329,569
Net patient service revenue	101,293,107	97,368,275
Sales and contract revenue	156,232	179,337
Other revenue	2,243,149	1,689,020
Meaningful use revenue	1,711,424	2,915,510
Net assets released from restrictions - operations	36,226	19,680
Total unrestricted revenues, gains, and other support	105,440,138	102,171,822
Expenses		
Compensation, fees and employee benefits	68,564,383	66,011,876
Supplies and other	29,324,444	31,946,213
State tax assessments	2,608,426	2,352,138
Depreciation and amortization	3,472,964	3,525,196
Interest	283,031	400,086
Total expenses	104,253,248	104,235,509
Income (loss) from operations	1,186,890	(2,063,687)
Nonoperating gains (losses)		
Investment income and other, net	87,741	246,692
Investment income on funded depreciation	16,131	21,179
Loss on early extinguishment of debt	-	(180,397)
Total nonoperating (losses) gains, net	103,872	87,474
Excess (deficiency) of revenues and gains over expenses	1,290,762	(1,976,213)
Net assets released from restrictions - capital acquisitions	59,387	90,341
Healthcare charities - Board designated funds	-	(5,000)
Transfers to Eastern Maine Healthcare Systems - strategic pool	(755,274)	(169,955)
Increase (decrease) in unrestricted net assets	$ 594,875	$ (2,060,827)

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

THE AROOSTOOK MEDICAL CENTER AND SUBSIDIARIES

Consolidated Statements of Changes in Net Assets

Years Ended September 28, 2013 and September 29, 2012

	Unrestricted Net Assets	Temporarily Restricted Net Assets	Permanently Restricted Net Assets	Consolidated
Net assets, September 24, 2011	$ 36,333,096	$ 2,163,151	$ 1,687,667	$ 40,183,914
Deficiency of revenues and gains over expenses	(1,976,213)	-	-	(1,976,213)
Restricted contributions	-	158,086	19,358	177,444
Net assets released from restrictions - capital acquisitions	90,341	(90,341)	-	-
Net assets released from restrictions - operations	-	(19,680)	-	(19,680)
Restricted investment income and net realized gains on investments	-	165,071	-	165,071
Change in net unrealized gains or losses on investments	-	433,424	-	433,424
Healthcare charities - Board designated funds	(5,000)	-	-	(5,000)
Transfers to Eastern Maine Healthcare Systems - strategic pool	(169,955)	-	-	(169,955)
Change in net assets	(2,060,827)	646,560	19,358	(1,394,909)
Net assets, September 29, 2012	34,272,269	2,809,711	1,707,025	38,789,005
Excess of revenues and gains over expenses	**1,290,762**	-	-	**1,290,762**
Restricted contributions	-	**74,282**	**7,384**	**81,666**
Net assets released from restrictions - capital acquisitions	**59,387**	**(59,387)**	-	-
Net assets released from restrictions - operations	-	**(36,226)**	-	**(36,226)**
Restricted investment income and net realized gains on investments	-	**172,433**	-	**172,433**
Change in net unrealized gains or losses on investments	-	**397,482**	-	**397,482**
Transfers to Eastern Maine Healthcare Systems - strategic pool	**(755,274)**	-	-	**(755,274)**
Change in net assets	**594,875**	**548,584**	**7,384**	**1,150,843**
Net assets, September 28, 2013	**$ 34,867,144**	**$ 3,358,295**	**$ 1,714,409**	**$ 39,939,848**

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

THE AROOSTOOK MEDICAL CENTER AND SUBSIDIARIES

Consolidated Statements of Cash Flows

Years Ended September 28, 2013 and September 29, 2012

	2013	2012
Cash flows from operating activities:		
Change in net assets	$ 1,150,843	$ (1,394,909)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	3,472,964	3,525,196
Provision for bad debts	3,703,812	3,329,569
Accretion of bond premium	(93,601)	(63,905)
Net realized and unrealized gains on investments	(493,939)	(511,199)
Equity in earnings of affiliates	(60,808)	(80,323)
Restricted contributions and investment income	(157,642)	(264,740)
Loss on early extinguishment of debt	-	180,397
Loss on disposal of property and equipment	136,908	22,610
Gain on sale of affiliate	-	(130,554)
Healthcare charities - Board designated funds	-	5,000
Transfers to Eastern Maine Healthcare Systems - strategic pool	755,274	169,955
Changes in operating assets and liabilities		
Patient and trade accounts receivable	(5,434,896)	(4,996,681)
Other receivables, inventories, prepaid expenses and other assets	(2,265,513)	697,702
Net amounts due from third-party payor settlements (which includes estimated settlements receivable from the State of Maine)	6,142,420	240,510
Accounts payable, accrued expenses and other liabilities	280,045	2,206,609
Due to/from Eastern Maine Healthcare Systems, net	21,256	265,593
Net cash provided by operating activities	7,157,123	3,200,830
Cash flows from investing activities		
Proceeds from distributions of equity of affiliates	35,000	70,000
Proceeds from sale of affiliate	-	500,600
Proceeds on sale of property and equipment	91,743	-
Purchases of property and equipment	(3,235,515)	(3,571,186)
Proceeds from sales of investments	953,974	4,683,436
Purchases of investments	(4,535,259)	(5,661,946)
Net cash used by investing activities	(6,690,057)	(3,979,096)
Cash flows from financing activities		
Healthcare charities - Board designated funds	-	(5,000)
Transfers to Eastern Maine Healthcare Systems - strategic pool	(755,274)	(169,955)
Restricted contributions and investment income	157,642	264,740
Repayment of long-term obligations	(1,271,615)	(980,785)
Proceeds from issuance of debt, including bond premium	-	5,477,065
Amount paid to refinance bonds	-	(5,594,639)
Payment of deferred financing costs	-	(78,603)
Net cash used by financing activities	(1,869,247)	(1,087,177)
Net decrease in cash and cash equivalents	(1,402,181)	(1,865,443)
Cash and cash equivalents at beginning of year	4,478,136	6,343,579
Cash and cash equivalents at end of year	$ 3,075,955	$ 4,478,136
Supplemental disclosure for cash flow information:		
Cash paid for interest	$ 376,366	$ 415,463

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

1. Organization

The Aroostook Medical Center (TAMC or the Corporation) includes a not-for-profit community hospital and nursing home located in Presque Isle, Maine, which has TAMC Title Corporation and TAMC Endowments as consolidated affiliates. TAMC's mission is to restore, maintain and improve the health of its friends and neighbors in a compassionate and professional environment. Only those activities directly associated with the establishment and promotion of this mission are considered to be operating activities. TAMC and its subsidiaries are part of Eastern Maine Healthcare Systems (EMHS).

2. Significant Accounting Policies

Principles of Consolidation

These consolidated financial statements include the accounts of TAMC, TAMC Title Corporation, and TAMC Endowments, (collectively referred to as "the Corporation"). All significant intercompany accounts and transactions have been eliminated in consolidation.

Fiscal Year

TAMC conducts its activities on a 52/53 week year. The presented years ended September 28, 2013 and September 29, 2012 contained 52 weeks and 53 weeks, respectively.

Use of Estimates

The preparation of financial statements in conformity with U.S. 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.

Investment in County PT

TAMC owns a 50% interest in County Physical Therapy, LLC (County PT), a company which provides physical therapy services. TAMC accounts for its investment in accordance with the equity method. A summary of County PT's financial condition as of September 28, 2013 and September 29, 2012 is shown below:

	2013 (Unaudited)	2012 (Unaudited)
Total assets	**$ 1,288,132**	$ 1,358,537
Current liabilities	**$ 98,303**	$ 189,165
Long-term liabilities	**62,923**	94,080
Total liabilities	**161,226**	283,245
Equity	**1,126,906**	1,075,292
Total liabilities and equity	**$ 1,288,132**	$ 1,358,537
Net income	**$ 283,245**	$ 116,834

The carrying value of the investment is included in other assets and was $563,453 and $537,646 at September 28, 2013 and September 29, 2012, respectively.

Investment in Aroostook MRI, LLC

In 2012, TAMC sold its 50% ownership interest in Aroostook MRI, LLC (AMRI), a joint venture imaging center, at a gain of $130,554. TAMC had accounted for its investment in accordance with the equity method. Net income in 2012, during which TAMC owned its portion of AMRI, amounted to $43,812.

Cash and Cash Equivalents

Highly liquid savings deposits and debt investments with maturities of three months or less when purchased are considered cash equivalents. The Corporation maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Corporation has experienced no losses in such accounts. The Corporation believes it is not exposed to any significant risk on cash and cash equivalents.

Patient and Trade Accounts Receivable

Patient and trade accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and the applicable patient accounts receivable. Credit is extended without collateral.

In evaluating the collectibility of accounts receivable, TAMC analyzes past results and identifies trends for each major payor source of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about these major payor sources in evaluating the sufficiency of the allowance for doubtful accounts. 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), TAMC records a provision for bad debts in the period of service based on past experience, which indicates that many patients are unable or unwilling to pay amounts for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated or eligible) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged against the allowance for doubtful accounts.

Inventories

Supplies and pharmaceuticals are carried at the lower of cost or market using the first-in, first-out method.

Investments and Investment Income

Investment securities are measured at fair value. Realized gains and losses on sales of investments are computed based on specific identification of the investments sold. Unrestricted investment income or loss (including realized gains and losses on investments, interest and dividends) is included in the excess (deficiency) of revenues and gains over expenses. Unrealized gains and losses on unrestricted investments are excluded from the excess (deficiency) of revenues and gains over expenses. On a periodic basis, the Corporation evaluates its investments to determine if declines in market value below cost are other than temporary. If such declines are determined to be other than temporary, an impairment charge is recognized and included in the excess (deficiency) of revenues and gains over expenses. In 2013 and 2012, the Corporation did not have any declines that were considered other than temporary.

Investments, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Consequently, 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 consolidated balance sheets and statements of operations and changes in net assets.

Assets Whose Use is Limited or Restricted

Assets whose use is limited or restricted include Board of Trustees (the Board) designated assets, assets held under debt agreements, self-insurance trust arrangements, and assets that are donor-restricted. Board-designated assets may be used at the Board's discretion.

Donor Restricted Gifts

Unconditional promises to give cash and other assets to the Corporation are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. Gifts are reported as an increase in either temporarily or permanently restricted net assets 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 consolidated statements of operations as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reported as additions to unrestricted net assets in the accompanying consolidated financial statements.

Property and Equipment

Property and equipment are stated at cost or, in the case of gifts, at fair value at the date of the gift, less accumulated depreciation. The Corporation's policy is to capitalize expenditures for major improvements and charge maintenance and repairs for expenditures which do not extend the life of the related assets. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets.

Gifts of long-lived assets, such as land, buildings, or equipment, are reported as an increase in unrestricted net assets (excluded from the excess of revenues and gains over expenses and losses), unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used, and gifts of cash or other assets that must be used to acquire long-lived assets, are reported as an increase in restricted net assets. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

Deferred Financing Costs

The deferred financing costs are bond issuance 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 straight-line method.

Estimated Third-Party Payor Settlements

Estimated third-party payor settlements represent estimates of final settlements under cost-reimbursed programs. Amounts due under the cost reimbursement programs will become determinable and final only upon completion of cost reporting the subsequent audit as required under the terms of agreements with respective third-party reimbursing agencies.

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by the Corporation have been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Corporation in perpetuity. Appreciation on investments of permanently restricted net assets, unless otherwise stated by the donor, is recorded within temporarily restricted net assets until appropriated pursuant to proper governing Board action.

Excess (Deficiency) of Revenues and Gains Over Expenses

The consolidated statements of operations include excess (deficiency) of revenues and gains over expenses. Changes in unrestricted net assets which are excluded from excess (deficiency) of revenues and gains over expenses, consistent with industry practice, include permanent transfers of assets to and from unconsolidated affiliates for other than goods and services and contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for purposes of acquiring such assets).

Net Patient Service Revenue

The Corporation has agreements with third-party payors that provide for payments to the Corporation 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 those estimates are reflected in the financial statements in the year in which they occur. During 2013 and 2012, net patient service revenue was increased by approximately $4,300,000 and $500,000, respectively, due to favorable settlements of prior year estimates.

Charity Care

TAMC maintains records to identify and monitor the level of charity care it provides. These records include the amount of charges foregone for services and supplies furnished under its charity care policy, the estimated cost of those services and supplies, and equivalent service statistics. The following information measures the level of charity care provided for the years September 28, 2013 and September 29, 2012:

	2013	2012
Charges foregone, based on established rates	$ 4,034,653	$ 2,631,931
Estimated costs incurred to provide charity care	$ 1,832,000	$ 1,224,000
Equivalent percentage of charity care services to all services	1.82%	1.24%

Costs of providing charity care services have been estimated based on the relationship of gross charges for those services to total expenses.

Gifts

Unconditional promises to give cash and other assets to the Corporation are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift 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 consolidated statements of operations as net assets released from restrictions.

Self-Insurance Programs

TAMC participates in the EMHS self-insured group health benefits plan. Under this plan, TAMC pays monthly premiums to EMHS in an amount necessary to fund the estimated annual plan expenses. In 2013 and 2012, TAMC paid EMHS approximately $6,834,000 and $5,542,000, respectively (of which approximately $1,425,000 and $1,192,000, respectively, represents employee deductions), in premiums. In 2011, TAMC received a premium adjustment from EMHS of approximately $1,166,000 which was included in prepaid expenses as of September 24, 2011. In 2012, EMHS applied approximately $778,000 of the premium adjustment against premiums due and expensed in the current year. As of September 29, 2012, approximately $388,000 is included in prepaid expenses relating to the EMHS premium adjustment. No further amounts from the premium adjustment were used in 2013.

The Corporation also participates in a self-insured workers' compensation insurance plan through an EMHS-sponsored cooperative. Current funding levels by TAMC and other participants in the cooperative are expected to be adequate to meet future claims. Excess insurance has been purchased to mitigate TAMC's exposure to loss on aggregate claims over a certain level.

Endowment Funds

Use of restricted endowment funds is governed by the *Uniform Prudent Management of Institutional Funds Act* (UPMIFA).

Gains on donor established endowments are, absent donor stipulations, included in temporarily restricted net assets until appropriated for expenditure by the governing board. Should the value of investments related to a donor established endowment fall below the original donor contribution, the resulting deficit is included in unrestricted net assets.

Income Taxes

TAMC, TAMC Title Corporation, and TAMC Endowments are tax-exempt organizations pursuant to Section 501(c)(3) or 501(c)(2) of the Internal Revenue Code. Accordingly, no provision for income taxes has been recorded in the consolidated financial statements.

Recently Issued Accounting Pronouncements

In July 2011, FASB issued Accounting Standards Update (ASU) No. 2011-07, *"Health Care Entities (Topic 954): Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities,"* which requires reclassifying the provision for bad debts associated with patient service revenue from an operating expense to a deduction from patient service revenue. It also requires enhanced disclosures about the policies for recognizing revenue and assessing bad debts, disclosures of patient service revenue, as well as qualitative and quantitative information about changes in the allowance for doubtful accounts. The provisions of ASU 2011-07 were effective for the Hospital beginning September 30, 2012 and have been incorporated into the September 28, 2013 consolidated financial statements.

Reclassifications

Certain amounts in the 2012 financial statements have been reclassified to conform to the current year's presentation.

Subsequent Events

For purposes of the preparation of these consolidated financial statements, the Corporation has considered transactions or events occurring through December 23, 2013, which was the date the consolidated financial statements were available to be issued.

3. Patient Accounts Receivable

Details of accounts receivable at September 28, 2013 and September 29, 2012 are as follows:

	2013	2012
Gross patient receivables	$ 31,686,491	$ 32,209,240
Less: Allowance for uncollectible accounts	(3,937,434)	(5,453,079)
Allowance for contractual adjustments	(14,070,832)	(14,132,000)
Advance payments from third-party reimbursing agencies	(2,199,663)	(2,876,683)
	(20,207,929)	(22,461,762)
	$ 11,478,562	$ 9,747,478

4. Net Patient Service Revenue and Third-Party Transactions

Net patient service revenue for the years ended September 28, 2013 and September 29, 2012 consisted of the following:

	2013	2012
Gross patient service revenue:		
Daily patient services	$ 23,103,225	$ 23,355,399
Ancillary/inpatient services	41,626,893	40,650,636
Outpatient services	153,506,068	148,632,041
Gross patient service revenue	218,236,186	212,638,076
Less contractual adjustments	109,204,614	109,308,301
Less charity care	4,034,653	2,631,931
	113,239,267	111,940,232
Patient service revenue (net of contractual allowances and discounts)	104,996,919	100,697,844
Less provision for bad debts	3,703,812	3,329,569
Net patient service revenue	$ 101,293,107	$ 97,368,275

The allowance for doubtful accounts was $3,937,434 and $5,453,079 at September 28, 2013 and September 29, 2012, respectively, and relates almost entirely to self-pay accounts. Gross self-pay accounts receivable were approximately $5,475,000 and $6,485,000 at September 28, 2013 and September 29, 2012, respectively. Self-pay write-offs were approximately $6,609,000 and $4,064,000 during 2013 and 2012, respectively. The decrease in the allowance relates to the reduced balance of self-pay receivables.

Revenue related to self-pay patients was approximately $9,825,000 and $7,942,000 for the years ended September 28, 2013 and September 29, 2012, respectively.

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 acute care services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Inpatient nonacute services, certain outpatient services, and defined capital and medical education costs related to Medicare beneficiaries are paid based on a cost reimbursement methodology. TAMC is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by TAMC and audits thereof by the Medicare fiscal intermediary. The Hospital's Medicare cost reports have been audited by the fiscal intermediary through September 2004 and fiscal years 2007 and 2008 have also been audited.

TAMC began participating with EMHS and certain other EMHS affiliated hospitals in the CMS Pioneer Accountable Care Organization (ACO) on January 1, 2012. Through this agreement, EMHS provides care coordination and healthcare management to Medicare enrollees identified as patients of the ACO participants. Under the program, EMHS is eligible to share in the resulting savings in year one, and in shared savings and losses beginning January 1, 2013. The initial term of the agreement is through December 31, 2014 and can be extended for an additional two-year term. EMHS is required to meet certain performance and quality measures to maintain eligibility.

MaineCare

The State of Maine's Medicaid program is a medical assistance program offered by the State of Maine Department of Health and 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. TAMC is reimbursed at a tentative rate with final settlement determined after submission of an annual cost report by TAMC and audit thereof by MaineCare. The Hospital's MaineCare cost reports have been preliminarily audited by the fiscal intermediary through September 2009.

For several years, interim payments from the MaineCare program have been significantly below the amounts due to TAMC based upon reimbursement statutes in effect. Previously, amounts due from MaineCare were classified as long-term assets as there was no expectation of the amounts being paid within in a year. During 2013, the Hospital received payment for the majority of these receivables.

The State of Maine enacted legislation establishing a health care provider tax (State tax). As a result, TAMC was subjected to and recorded $2,608,426 and $2,352,138 of State tax in 2013 and 2012, respectively.

Revenue from the Medicare and Medicaid programs accounted for approximately 34% and 9%, respectively, of the Hospital's net patient service revenue for the year ended 2013, and 33% and 13%, respectively, of the Hospital's net patient service revenue for the year ended 2012.

Laws and regulations governing the Medicare and MaineCare programs are complex and subject to interpretation. TAMC believes it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. While no regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation, as well as significant regulatory action including fines, penalties and exclusions from the Medicare and MaineCare programs.

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

5. Related Party Transactions

TAMC has a strategic planning pool agreement with EMHS. In 2013 and 2012, $755,274 and $169,955 was paid to EMHS, respectively.

TAMC paid AMRI approximately $241,000 in 2012 for purchased services. AMRI paid TAMC approximately $52,000 in 2012 for rent. TAMC sold its interest in AMRI in 2012, therefore AMRI was no longer a related party in 2013.

The Corporation purchases certain products and services from EMHS and other EMHS affiliates. Purchases during the years ended September 28, 2013 and September 29, 2012 totaled approximately $10,711,500 and $11,152,000, respectively.

TAMC is working on an electronic medical records software platform with EMHS. Amounts paid to EMHS during 2013 and 2012 were approximately $1,318,000 and $1,088,000, respectively. Additional costs to be incurred relating to the project in 2014 are estimated to be approximately $132,000.

See Notes 2, 11 and 16 related to self-insurance programs, the line of credit and medical malpractice insurance.

6. Investments and Assets Whose Use is Limited

Investment balances at September 28, 2013 and September 29, 2012 are set forth below and the balances are stated at fair value.

	2013	2012
Assets held in trust under bond indentures:		
Cash and cash equivalents	$ 416,331	$ 373,849
Assets whose use is limited or restricted - noncurrent		
Cash and cash equivalents	$ 10,785,499	$ 7,098,597
Marketable equity securities	2,639,159	2,607,550
Other equity investments	105,298	-
Institutional mutual funds and common collective trusts	974,574	1,190,899
U.S. Government sponsored enterprise bonds	534,672	25,087
Corporate bonds	135,697	199,578
Assets held by trustees for deferred compensation plans	4,922,100	3,859,137
Interest in net assets of Healthcare Charities	208,158	197,299
Total assets whose use is limited or restricted - noncurrent	$ 20,305,157	$ 15,178,147

Investment income and gains consisted of the following for the years ended September 28, 2013 and September 29, 2012 :

	2013	2012
Interest and dividends	$ 146,522	$ 171,367
Realized gains and losses on sales of securities, net	96,457	77,775
Change in unrealized gains and losses on securities, net	397,482	433,424
	$ 640,461	$ 682,566

Unrealized losses on investments were immaterial at September 28, 2013 and September 29, 2012.

Investment Return Objectives, Risk Parameters and Spending Policies

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

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

There were no spending draws on the endowment principal in 2013 or 2012.

Fair Value Measurements

FASB ASC 820 defines fair value as the exchange price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Based on the observability of the inputs used in the valuation techniques, the Corporation is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets carried at fair value will be classified and disclosed in one of the following three categories:

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

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

Level 3: Significant unobservable inputs that reflect an entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The Corporation's assets measured at fair value include assets held in trust and assets whose use is limited or restricted. The following table presents the balances of assets and liabilities measured at fair value at September 28, 2013 and September 29, 2012 on a recurring basis:

	Fair Value Measurement at September 28, 2013			
	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Total
Assets:				
Cash and cash equivalents	$ 11,201,830	$ -	$ -	$ 11,201,830
Marketable equity securities	2,639,159	-	-	2,639,159
Other equity investments	105,298	-	-	105,298
Institutional mutual funds				
Mid Cap U.S. equities	179,995	-	-	179,995
Small Cap U.S. equities	44,066	-	-	44,066
International equities	494,843	-	-	494,843
Fixed income	255,670	-	-	255,670
U.S. government sponsored agency bonds	-	534,672	-	534,672
Corporate bonds	-	135,697	-	135,697
Interest in net assets of Healthcare Charities	-	-	208,158	208,158
Deferred compensation (asset and liability)	4,922,100	-	-	4,922,100
	$ 19,842,961	$ 670,369	$ 208,158	$ 20,721,488

	Fair Value Measurement at September 29, 2012			
	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Total
Assets:				
Cash and cash equivalents	$ 7,472,446	$ -	$ -	$ 7,472,446
Marketable equity securities	2,607,550	-	-	2,607,550
Institutional mutual funds				
Mid Cap U.S. equities	440,327	-	-	440,327
Fixed income	750,572	-	-	750,572
U.S. government sponsored agency bonds	-	25,087	-	25,087
Corporate bonds	199,578	-	-	199,578
Interest in net assets of Healthcare Charities	-	-	197,299	197,299
Deferred compensation - asset and liability	3,859,137	-	-	3,859,137
	$ 15,329,610	$ 25,087	$ 197,299	$ 15,551,996

The fair value of the interest in net assets of Healthcare Charities are not readily available to TAMC, and therefore considered to be a Level 3 investment.

The following is a reconciliation of assets in which significant unobservable inputs (Level 3) were used in determining fair value:

Balance at September 24, 2011	$ 143,039
Contributions	72,409
Releases	(18,149)
Balance at September 29, 2012	197,299
Contributions	**11,604**
Net depreciation	**(745)**
Balance at September 28, 2013	**$ 208,158**

7. Temporarily and Permanently Restricted Net Assets

Temporarily restricted and permanently restricted net assets consist of the following at September 28, 2013 and September 29, 2012:

	2013	2012
Temporarily restricted:		
Realized and unrealized gains on endowment funds treated as restricted under State of Maine statute	$ 3,110,189	$ 2,576,191
Other	248,106	233,520
	$ 3,358,295	$ 2,809,711
Permanently restricted:		
Investments to be held in perpetuity of which the income is unrestricted	$ 1,714,409	$ 1,707,025

8. Meaningful Use Revenues

The Medicare and Medicaid electronic health record (EHR) incentive programs provide a financial incentive for achieving "meaningful use" of certified EHR technology. The criteria for meaningful use will be staged in three steps from fiscal year 2012 through 2016. During 2012, TAMC attested to Stage 1 meaningful use certification from the Centers of Medicare and Medicaid Services (CMS) and recorded meaningful use revenues of $925,274 and $1,472,372, respectively. The meaningful use attestations are subject to audit by CMS in future years. As part of this process, a final settlement amount for the incentive payments could be established that differs from the initial calculation, and could result in return of a portion or all of the incentive payments received by TAMC.

The Medicaid program will provide incentive payments to hospitals and eligible professionals as they adopt, implement, upgrade or demonstrate meaningful use in the first year of participation and demonstrate meaningful use for up to five remaining participation years. The State of Maine program was launched on October 2011, however, there was an attestation tail period from January 1, 2012 through March 31, 2012 where providers were allowed to apply late for payments related to the program. During 2013 and 2012, TAMC recorded meaningful use revenues of $273,600 and $380,638, respectively, after attesting to Stage 1 meaningful use.

TAMC also received approximately $512,550 and $1,062,500 of Medicaid EHR program revenues for its eligible physicians in 2013 and 2012, respectively.

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

9. Property and Equipment

Property and equipment consists of the following at September 28, 2013 and September 29, 2012:

	2013	2012
Land and improvements	$ 2,688,810	$ 2,689,703
Buildings and improvements	41,899,412	40,812,814
Leasehold improvements	3,242,328	3,242,328
Equipment	31,822,114	31,302,284
Construction in progress	2,043,773	1,360,404
	81,696,437	79,407,533
Less accumulated depreciation and amortization	(53,596,632)	(51,008,674)
	$ 28,099,805	$ 28,398,859

10. Long-Term Obligations

Long-term obligations consist of the following at September 28, 2013 and September 29, 2012:

	2013	2012
TAMC		
Revenue Bonds, Series 2010B, issued through MHHEFA, rates varying from 3.00% to 5.25%; annual principal payments ranging from $740,000 to $935,000 with final payment due in 2019, plus original issue premium of $275,337 and $333,303 at September 28, 2013 and September 29, 2012, respectively	$ 4,363,787	$ 5,161,753
Revenue Bonds, Series 2012A, issued through MHHEFA, rates varying from 2.50% to 5.00%; annual principal payments beginning July 2013 ranging from $505,000 to $645,000 with final payment due in 2022, plus original issue premium of $279,141 and $314,776 at September 28, 2013 and September 29, 2012, respectively	4,930,491	5,471,126
TAMC Title Corporation		
Mortgage note payable to bank in monthly installments of $2,135, including interest at 5.00%, paid in full during 2013	-	26,615
	9,294,278	10,659,494
Less current portion	(1,285,000)	(1,269,533)
	$ 8,009,278	$ 9,389,961

In July 2012, Series 2012A Revenue Bonds in the amount of $5,156,350 were issued at a premium of $320,715 through MHHEFA for the purpose of refinancing Series 2002A Revenue Bonds. As part of the refinancing transaction, a loss of $180,397 was recognized.

In connection with the Revenue Bonds, TAMC is required to make deposits of interest and principal of sufficient amounts to make the semi-annual interest payments and to retire the Bonds when due. Amounts deposited are presented as assets held in trust under debt indentures on the accompanying consolidated balance sheets and amount to $416,331 and $373,849 at September 28, 2013 and September 29, 2012, respectively. At September 28, 2013, TAMC was in compliance with all restrictive covenants under the Bonds. The Bonds are secured by substantially all of the property and equipment of TAMC and a security interest in its gross receipts.

Scheduled principal repayments on long-term debt are as follows:

2014 (included in current liabilities)	$	1,285,000
2015		1,320,000
2016		1,385,000
2017		1,435,000
2018		1,495,000

11. Line of Credit

TAMC had an available line of credit agreement of $4,500,000 with EMHS with interest at LIBOR plus 1%. At September 28, 2013 and September 29, 2012, there were no amounts outstanding under this agreement. The agreement expired in October 2013 and is currently being renegotiated.

12. Employee Benefit Plans

The Corporation sponsors a defined contribution plan which covers substantially all full-time employees with at least two years of service with TAMC. TAMC funds the defined contribution plan with annual contributions of up to 3.5% of the participants' salaries with an additional 2% match based upon an employee's participation through salary deferrals of up to 100% of elective deferrals, up to a maximum of 2% of compensation.

Total pension expense for the years ended September 28, 2013 and September 29, 2012 was approximately $1,785,000 and $1,815,000, respectively.

13. Deferred Compensation Plan

TAMC has fully-funded nonqualified deferred compensation plans to provide supplemental retirement benefits for certain employees. Under the plans, the assets are invested in mutual funds, trusts, and cash and cash equivalents for eligible employees. Assets are reported at fair value and unrealized gains and losses are allocated to participants quarterly. The investments and liability under the deferred compensation plans at September 28, 2013 and September 29, 2012 were $4,922,100 and $3,859,138, respectively.

14. Concentration of Credit Risk and Other Concentrations

The Corporation grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors, net of contractual allowances, at September 28, 2013 and September 29, 2012 was as follows:

	2013	2012
Medicare and MaineCare	**44 %**	45 %
Commercial and other insurance	**20**	12
Patients	**36**	43
	100 %	100 %

Nursing personnel representing approximately 14% of TAMC's workforce are covered by a union contract that expires in 2016. Technicians and certain other personnel comprising approximately 11% of TAMC's workforce are covered under a separate union contract that expires in 2017.

15. Commitments

The corporation leases certain equipment and office space subject to various agreements. In 2013 and 2012, lease expense charged to operations amounted to approximately $1,252,000 and $1,265,000, respectively.

The Corporation's future minimum lease payments at September 28, 2013 under all noncancelable operating leases to nonrelated parties are as follows:

2014	$ 576,000
2015	576,000
2016	576,000
2017	471,000
2018	359,000

16. Medical Malpractice Insurance

The Corporation participates in the EMHS self-insurance plan for professional and patient general liability coverage. The Corporation maintains tail coverage for potential claims prior to October 1, 2007. Assets of the professional and patient general liability plan consist of equity and fixed income securities. Trust funding and accrued self-insurance reserves are determined by independent actuarial projections. Stop loss or excess insurance coverage has been obtained through various commercial insurance companies for the self-insurance program and provides reimbursement for individual claims in excess of $5 million and for aggregate claims in excess of $12 million up to a total of $15 million.

FASB ASU 2010-24, Health Care Entities (Topic 954): Presentation of Insurance Claims and Recoveries, provides clarification to companies in the health care industry on the accounting for professional liability and similar insurance. ASU 2010-24 states that insurance liabilities should not be presented net of insurance recoveries and that an insurance receivable should be recognized on the same basis as the liabilities, subject to the need for a valuation allowance for uncollectible accounts. As of September 28, 2013 and September 29, 2012, TAMC recorded a receivable and liability of $3,654,660 and $3,653,480, respectively, which are reflected in other assets and the accrual for self insurance and postretirement plans, respectively. This reserve is adjusted annually based on updated actuarial information.

17. Volunteer Services (Unaudited)

Total volunteer service hours received by the Corporation in 2013 and 2012 were approximately 19,000 and 15,000 hours, respectively. The volunteers provide various services to the Corporation, none of which have been recognized as revenue or expense in the consolidated statements of operations.

18. Functional Expenses

The Corporation provides general health services to residents within its geographical location. Approximately 89% of total expenses were related to direct health care program services, with the balance of expenses for management and general support services.

ADDITIONAL INFORMATION

THE AROOSTOOK MEDICAL CENTER AND SUBSIDIARIES

Consolidating Balance Sheet

September 28, 2013

ASSETS

	The Aroostook Medical Center	TAMC Title Corporation	TAMC Endow-ments	Elimi-nations and Reclass-ifications	Total
Current assets					
Cash and cash equivalents	$ 3,040,654	$ 35,301	$ -	$ -	$ 3,075,955
Assets held in trust under debt indentures	416,331	-	-	-	416,331
Patient and trade accounts receivable, less allowance for doubtful accounts	11,478,562	-	-	-	11,478,562
Estimated third-party payor settlements	2,149,301	-	-	-	2,149,301
Due from Eastern Maine Healthcare Systems	229,720	-	-	-	229,720
Other receivables	2,052,639	-	-	-	2,052,639
Inventories	1,908,127	-	-	-	1,908,127
Prepaid expenses	1,944,129	10,620	-	-	1,954,749
Total current assets	23,219,463	45,921	-	-	23,265,384
Property and equipment, net	27,857,080	242,725	-	-	28,099,805
Assets whose use is limited or restricted					
Deferred compensation and benefits	4,972,115	-	-	-	4,972,115
Board designated funded depreciation and other	10,252,838	-	7,500	-	10,260,338
Temporarily donor-restricted	1,423,583	-	1,934,712	-	3,358,295
Permanently donor-restricted	686,328	-	1,028,081	-	1,714,409
Total assets whose use is limited or restricted	17,334,864	-	2,970,293	-	20,305,157
Other assets					
Inter-entity receivables	156	-	-	(156)	-
Estimated settlement receivable from the State of Maine	1,188,898	-	-	-	1,188,898
Deferred financing costs, net	109,372	-	-	-	109,372
Other assets, net	4,218,113	-	-	-	4,218,113
	5,516,539	-	-	(156)	5,516,383
Total assets	$ 73,927,946	$ 288,646	$ 2,970,293	$ (156)	$ 77,186,729

LIABILITIES AND NET ASSETS

	The Aroostook Medical Center	TAMC Title Corporation	TAMC Endow-ments	Elimi-nations and Reclass-ifications	Total
Current liabilities					
Accounts payable	$ 3,894,702	$ 1,539	$ -	$ -	$ 3,896,241
Due to Eastern Maine Healthcare Systems	826,036	-	-	-	826,036
Accrued expenses and other	7,459,339	-	-	-	7,459,339
Estimated third-party payor settlements	5,186,763	-	-	-	5,186,763
Current portion of bonds payable	1,285,000	-	-	-	1,285,000
Total current liabilities	18,651,840	1,539	-	-	18,653,379
Accrual for self insurance and postretirement benefits	8,634,455	-	-	-	8,634,455
Due to affiliates	-	156	-	(156)	-
Estimated third-party payor settlements	1,741,833	-	-	-	1,741,833
Other liabilities	207,936	-	-	-	207,936
Bonds payable, net of current portion	8,009,278	-	-	-	8,009,278
Total liabilities	37,245,342	1,695	-	(156)	37,246,881
Net assets					
Unrestricted net assets	34,572,693	286,951	7,500	-	34,867,144
Temporarily restricted net assets	1,423,583	-	1,934,712	-	3,358,295
Permanently restricted net assets	686,328	-	1,028,081	-	1,714,409
Total net assets	36,682,604	286,951	2,970,293	-	39,939,848
Total liabilities and net assets	$ 73,927,946	$ 288,646	$ 2,970,293	$ (156)	$ 77,186,729

THE AROOSTOOK MEDICAL CENTER AND SUBSIDIARIES

Consolidating Statement of Operations

Year Ended September 28, 2013

	The Aroostook Medical Center	TAMC Title Corporation	TAMC Endow-ments	Elimi-nations and Reclass-ifications	Total
Unrestricted revenues, gains, and other support					
Patient service revenue (net of contractual allowances and discounts	$104,996,919	$ -	$ -	$ -	$104,996,919
Less provision for bad debts	3,703,812	-	-	-	3,703,812
Net patient service revenue	101,293,107	-	-	-	101,293,107
Sales and contract revenue	145,972	70,495	-	(60,235)	156,232
Other revenue	2,247,349	-	-	(4,200)	2,243,149
Meaningful use revenue	1,711,424	-	-	-	1,711,424
Net assets released from restrictions - operations	36,226	-	-	-	36,226
Total unrestricted revenues, gains and other support	105,434,078	70,495	-	(64,435)	105,440,138
Expenses					
Compensation, fees and employee benefits	68,564,383	-	-	-	68,564,383
Supplies and other	29,348,762	40,117	-	(64,435)	29,324,444
State tax assessments	2,608,426	-	-	-	2,608,426
Depreciation and amortization	3,461,811	11,153	-	-	3,472,964
Interest	282,268	763	-	-	283,031
Total expenses	104,265,650	52,033	-	(64,435)	104,253,248
Income from operations	1,168,428	18,462	-	-	1,186,890
Nonoperating gains (losses)					
Investment income and other, net	87,741	-	-	-	87,741
Investment income on funded depreciation	16,131	-	-	-	16,131
Total nonoperating losses, net	103,872	-	-	-	103,872
Excess of revenues and gains over expenses	1,272,300	18,462	-	-	1,290,762
Net assets released from restrictions - capital acquisitions	59,387	-	-	-	59,387
Transfers to Eastern Maine Health Systems - strategic pool	(755,274)	-	-	-	(755,274)
(Decrease) increase in unrestricted net assets	$ 576,413	$ 18,462	$ -	$ -	$ 594,875

THE AROOSTOOK MEDICAL CENTER AND SUBSIDIARIES

Consolidating Statement of Cash Flows

Year Ended September 28, 2013

	The Aroostook Medical Center	TAMC Title Corporation	TAMC Endow-ments	Elimi-nations and Reclass-ifications	Total
Operating activities and gains and losses					
Change in net assets	$ 786,808	$ 18,462	$ 345,573	$ -	$ 1,150,843
Adjustments to reconcile change in net assets to net cash provided by operating activities					
Depreciation and amortization	3,461,811	11,153	-	-	3,472,964
Provision for bad debts	3,703,812	-	-	-	3,703,812
Accretion of bond premium	(93,601)	-	-	-	(93,601)
Net realized and unrealized gains on investments	(192,532)	-	(301,407)	-	(493,939)
Equity in earnings of affiliates	(60,808)	-	-	-	(60,808)
Restricted contributions and investment income	(113,476)	-	(44,166)	-	(157,642)
Loss on disposal of property and equipment	136,908	-	-	-	136,908
Transfers to Eastern Maine Healthcare Systems - strategic pool	755,274	-	-	-	755,274
Changes in operating assets and liabilities					
Patient and trade accounts receivable	(5,434,896)	-	-	-	(5,434,896)
Other current assets	(2,264,997)	(516)	-	-	(2,265,513)
Estimated third-party payor settlements, net	6,142,420	-	-	-	6,142,420
Accounts payable, accrued expenses and other liabilities	280,700	(655)	-	-	280,045
Due to/from related parties, net	16,145	5,111	-	-	21,256
Net cash provided by operating activities	7,123,568	33,555	-	-	7,157,123
Cash flows from investing activities					
Proceeds from distributions of equity of affiliates	35,000	-	-	-	35,000
Purchases of property and equipment	(3,232,914)	(2,601)	-	-	(3,235,515)
Proceeds from sale of property and equipment	91,743	-	-	-	91,743
Proceeds from sale of investments	354,329	-	599,645	-	953,974
Purchases of investments	(3,891,448)	-	(643,811)	-	(4,535,259)
Net cash used by investing activities	(6,643,290)	(2,601)	(44,166)	-	(6,690,057)
Cash flows from financing activities					
Transfers to Eastern Maine Healthcare Systems - strategic pool	(755,274)	-	-	-	(755,274)
Restricted contributions and investment income	113,476	-	44,166	-	157,642
Repayment of long-term obligations	(1,245,000)	(26,615)	-	-	(1,271,615)
Net cash (used) provided by financing activities	(1,886,798)	(26,615)	44,166	-	(1,869,247)
(Decrease) increase in cash and cash equivalents	(1,406,520)	4,339	-	-	(1,402,181)
Cash and cash equivalents at beginning of year	4,447,174	30,962	-	-	4,478,136
Cash and cash equivalents at end of year	$ 3,040,654	$ 35,301	$ -	$ -	$ 3,075,955

THE AROOSTOOK MEDICAL CENTER AND SUBSIDIARIES

Consolidating Balance Sheet

September 29, 2012

ASSETS

	The Aroostook Medical Center	TAMC Title Corporation	TAMC Endow-ments	Horizons Health Services	Elimi-nations and Reclass-ifications	Total
Current assets						
Cash and cash equivalents	$ 4,447,174	$ 30,962	$ -	$ -	$ -	$ 4,478,136
Assets held in trust under debt indentures	373,849	-	-	-	-	373,849
Patient and trade accounts receivable, less allowance for doubtful accounts	9,747,478	-	-	-	-	9,747,478
Estimated third-party payor settlements	1,767,481	-	-	-	-	1,767,481
Due from Eastern Maine Healthcare Systems	37,185	-	-	-	-	37,185
Other receivables	564,215	-	-	-	-	564,215
Inventories	1,788,058	-	-	-	-	1,788,058
Prepaid expenses	1,287,625	10,104	-	-	-	1,297,729
Total current assets	20,013,065	41,066	-	-	-	20,054,131
Property and equipment, net	28,147,582	251,277	-	-	-	28,398,859
Assets whose use is limited or restricted						
Deferred compensation and benefits	3,888,706	-	-	-	-	3,888,706
Board designated funded depreciation and other	6,765,205	-	7,500	-	-	6,772,705
Temporarily donor-restricted	1,218,188	-	1,591,523	-	-	2,809,711
Permanently donor-restricted	681,328	-	1,025,697	-	-	1,707,025
Total assets whose use is limited or restricted	12,553,427	-	2,624,720	-	-	15,178,147
Other assets						
Inter-entity receivables	-	4,955	-	-	(4,955)	-
Estimated settlement receivable from the State of Maine	10,987,596	-	-	-	-	10,987,596
Deferred financing costs, net	137,662	-	-	-	-	137,662
Other assets, net	4,338,399	-	-	-	-	4,338,399
	15,463,657	4,955	-	-	(4,955)	15,463,657
Total assets	$ 76,177,731	$ 297,298	$ 2,624,720	$ -	$ (4,955)	$ 79,094,794

LIABILITIES AND NET ASSETS

	The Aroostook Medical Center	TAMC Title Corporation	TAMC Endow-ments	Horizons Health Services	Elimi-nations and Reclass-ifications	Total
Current liabilities						
Accounts payable	$ 4,239,433	$ 2,194	$ -	$ -	$ -	$ 4,241,627
Due to Eastern Maine Healthcare Systems	611,065	-	-	-	-	611,065
Accrued expenses and other	6,862,980	-	-	-	-	6,862,980
Estimated third-party payor settlements	7,306,754	-	-	-	-	7,306,754
Current portion of long-term debt	1,245,000	24,533	-	-	-	1,269,533
Total current liabilities	20,265,232	26,727	-	-	-	20,291,959
Accrual for self insurance and postretirement benefits	7,548,705	-	-	-	-	7,548,705
Due to affiliates	4,955	-	-	-	(4,955)	-
Estimated third-party payor settlements	2,896,300	-	-	-	-	2,896,300
Other liabilities	178,864	-	-	-	-	178,864
Long-term debt, net of current portion						
Bonds payable	9,387,879	-	-	-	-	9,387,879
Mortgages	-	2,082	-	-	-	2,082
Total long- term debt	9,387,879	2,082	-	-	-	9,389,961
Total liabilities	40,281,935	28,809	-	-	(4,955)	40,305,789
Net assets						
Unrestricted net assets	33,996,280	268,489	7,500	-	-	34,272,269
Temporarily restricted net assets	1,218,188	-	1,591,523	-	-	2,809,711
Permanently restricted net assets	681,328	-	1,025,697	-	-	1,707,025
Total net assets	35,895,796	268,489	2,624,720	-	-	38,789,005
Total liabilities and net assets	$ 76,177,731	$ 297,298	$ 2,624,720	$ -	$ (4,955)	$ 79,094,794

THE AROOSTOOK MEDICAL CENTER AND SUBSIDIARIES

Consolidating Statement of Operations

Year Ended September 29, 2012

	The Aroostook Medical Center	TAMC Title Corporation	TAMC Endow-ments	Horizons Health Services	Elimi-nations and Reclass-ifications	Total
Unrestricted revenue, gains, and other support						
Patient service revenue (net of contractual allowances and discounts)	$100,703,262	$ -	$ -	$ (5,418)	$ -	$100,697,844
Less provision for bad debts	3,328,288	-	-	1,281	-	3,329,569
Net patient service revenue	97,374,974	-	-	(6,699)	-	97,368,275
Sales and contract revenue	155,148	99,599	-	-	(75,410)	179,337
Other revenue	1,692,760	-	-	460	(4,200)	1,689,020
Meaningful use revenue	2,915,510	-	-	-	-	2,915,510
Net assets released from restrictions - operations	19,680	-	-	-	-	19,680
Total unrestricted revenues, gains and other support	102,158,072	99,599	-	(6,239)	(79,610)	102,171,822
Expenses						
Compensation, fees and employee benefits	66,011,876	-	-	-	-	66,011,876
Supplies and other	31,968,840	56,365	-	618	(79,610)	31,946,213
State tax assessments	2,352,138	-	-	-	-	2,352,138
Depreciation and amortization	3,504,274	20,922	-	-	-	3,525,196
Interest	398,091	1,995	-	-	-	400,086
Total expenses	104,235,219	79,282	-	618	(79,610)	104,235,509
(Loss) income from operations	(2,077,147)	20,317	-	(6,857)	-	(2,063,687)
Nonoperating gains (losses)						
Investment income and other, net	246,692	-	-	-	-	246,692
Investment income on funded depreciation	21,179	-	-	-	-	21,179
Loss on early extinguishment of debt	(180,397)	-	-	-	-	(180,397)
Total nonoperating gains, net	87,474	-	-	-	-	87,474
(Deficiency) excess of revenues and gains over expenses	(1,989,673)	20,317	-	(6,857)	-	(1,976,213)
Net assets released from restrictions - capital acquisitions	90,341	-	-	-	-	90,341
Transfer to/from Horizons Health Services	19,804	-	-	(19,804)	-	-
Transfer to/from TAMC Title Corporation	332,945	(332,945)	-	-	-	-
Healthcare charities - Board designated funds	-	-	(5,000)	-	-	(5,000)
Transfers to Eastern Maine Health Systems - strategic pool	(169,955)	-	-	-	-	(169,955)
Decrease in unrestricted net assets	$ (1,716,538)	$ (312,628)	$ (5,000)	$ (26,661)	$ -	$ (2,060,827)

THE AROOSTOOK MEDICAL CENTER AND SUBSIDIARIES

Consolidating Statement of Cash Flows

Year Ended September 29, 2012

	The Aroostook Medical Center	TAMC Title Corporation	TAMC Endow-ments	Horizons Health Services	Elimi-nations and Reclass-ifications	Total
Operating activities and gains and losses						
Change in net assets	$ (1,426,256)	$ (312,628)	$ 370,636	$ (26,661)	$ -	$ (1,394,909)
Adjustments to reconcile change in net assets to net cash provided by operating activities						
Depreciation and amortization	3,504,274	20,922	-	-	-	3,525,196
Provision for bad debts	3,329,569	-	-	-	-	3,329,569
Accretion of bond premium	(63,905)	-	-	-	-	(63,905)
Net realized and unrealized gains on investments	(194,852)	-	(316,347)	-	-	(511,199)
Equity in earnings of affiliates	(80,323)	-	-	-	-	(80,323)
Restricted contributions and investment income	(205,451)	-	(59,289)	-	-	(264,740)
Loss on early extinguishment of debt	180,397	-	-	-	-	180,397
Loss on disposal of property and equipment	22,610	332,946	-	-	(332,946)	22,610
Gain on sale of affiliate	(130,554)	-	-	-	-	(130,554)
Healthcare charities - Board designated funds	-	-	5,000	-	-	5,000
Transfers to Eastern Maine Healthcare Systems - strategic pool	169,955	-	-	-	-	169,955
Inter-entity transfer, net	-	-	-	19,804	(19,804)	-
Changes in operating assets and liabilities	-	-	-	-	-	-
Patient and trade accounts receivable, net	(5,019,790)	-	-	23,109	-	(4,996,681)
Other current assets	691,863	5,839	-	-	-	697,702
Estimated third-party payor settlements, net	240,510	-	-	-	-	240,510
Accounts payable, accrued expenses and other liabilities	2,228,794	(19,609)	-	(2,576)	-	2,206,609
Due to/from related parties, net	265,593	-	-	-	-	265,593
Net cash provided by operating activities	3,512,434	27,470	-	13,676	(352,750)	3,200,830
Cash flows from investing activities						
Proceeds from distributions of equity of affiliates	70,000	-	-	-	-	70,000
Proceeds from sale of affiliate	500,600	-	-	-	-	500,600
Purchases of property and equipment	(3,865,002)	(39,130)	-	-	332,946	(3,571,186)
Proceeds from sale of investments	4,071,608	-	611,828	-	-	4,683,436
Purchases of investments	(4,995,829)	-	(666,117)	-	-	(5,661,946)
Net cash used by investing activities	(4,218,623)	(39,130)	(54,289)	-	332,946	(3,979,096)
Cash flows from financing activities						
Healthcare charities - Board designated funds, net	-	-	(5,000)	-	-	(5,000)
Transfers to Eastern Maine Healthcare Systems - strategic pool	(169,955)	-	-	-	-	(169,955)
Inter-entity transfer, net	-	-	-	(19,804)	19,804	-
Restricted contributions and investment income	205,451	-	59,289	-	-	264,740
Repayment of long-term obligations	(957,500)	(23,285)	-	-	-	(980,785)
Proceeds from issuance of debt, including bond premium	5,477,065	-	-	-	-	5,477,065
Amount paid to refinance bonds	(5,594,639)	-	-	-	-	(5,594,639)
Payment of deferred financing costs	(78,603)	-	-	-	-	(78,603)
Net cash (used) provided by financing activities	(1,118,181)	(23,285)	54,289	(19,804)	19,804	(1,087,177)
Decrease in cash and cash equivalents	(1,824,370)	(34,945)	-	(6,128)	-	(1,865,443)
Cash and cash equivalents at beginning of year	6,271,544	65,907	-	6,128	-	6,343,579
Cash and cash equivalents at end of year	$ 4,447,174	$ 30,962	$ -	$ -	$ -	$ 4,478,136

BerryDunn