

Return of Organization Exempt From Income Tax

2012

Open to Public Inspection

Department of the Treasury Internal Revenue Service

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.

A For the 2012 calendar year, or tax year beginning, 2012, and ending, 20

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

C Name of organization: PARKVIEW ADVENTIST MEDICAL CENTER
Doing Business As:
Number and street (or P.O. box if mail is not delivered to street address): 329 MAINE STREET
Room/suite:
City or town, state or country, and ZIP + 4: BRUNSWICK, ME 04011

D Employer identification number: 01-0244035
E Telephone number: (207) 373-2000

F Name and address of principal officer: RANDEE REYNOLDS
329 MAINE ST BRUNSWICK, ME 04011

G Gross receipts \$: 34,509,786.
H(a) Is this a group return for affiliates? Yes [X] No
H(b) Are all affiliates included? Yes [] No

I Tax-exempt status: X 501(c)(3) 501(c) () (insert no.) 4947(a)(1) or 527
J Website: WWW.PARKVIEWAMC.ORG

K Form of organization: X Corporation Trust Association Other
L Year of formation: 1956 M State of legal domicile: ME

Part I Summary

Table with 22 rows and 3 columns. Rows include: 1. Briefly describe the organization's mission... 2. Check this box... 3. Number of voting members... 4. Number of independent voting members... 5. Total number of individuals employed... 6. Total number of volunteers... 7a. Total gross unrelated business revenue... 7b. Net unrelated business taxable income... 8-12. Revenue section (Contributions, Program service, Investment, Other, Total). 13-19. Expenses section (Grants, Benefits, Salaries, Fundraising, Other, Total, Revenue less expenses). 20-22. Net Assets or Fund Balances section (Total assets, Total liabilities, Net assets).

COPY FOR PUBLIC INSPECTION

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: Rande Reynolds, Date: 11-7-2013
Type or print name and title: Rande Reynolds, President

Paid Preparer Use Only: Print/Type preparer's name: Brian D Todd, Preparer's signature: Brian D Todd CPA, Date: 11/4/13, Check if self-employed: [], PTIN: P00422601, Firm's name: BKD, LLP, Firm's address: 910 E ST LOUIS #200/PO BOX 1190 SPRINGFIELD, MO 65806-2523, EIN: 44-0160260, Phone no: 417 865-8701

May the IRS discuss this return with the preparer shown above? (see instructions) [X] 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:
PARKVIEW ADVENTIST MEDICAL CENTER, IN OUR COMMITMENT TO THE COMMUNITY WE SERVE, EXISTS TO REFLECT THE LOVING COMPASSIONATE LIFE AND WORK OF JESUS CHRIST, WHOSE TOTAL MISSION WAS TO OFFER WHOLENESS TO PEOPLE PHYSICALLY, EMOTIONALLY AND SPIRITUALLY.

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

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

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations 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 \$ 26,422,757. including grants of \$ 43,420.) (Revenue \$ 29,528,002.)
HOSPITAL SERVICES - PAMC PROVIDED INPATIENT HOSPITAL SERVICES TO 970 PATIENTS IN 2012. DURING THE YEAR, THERE WERE ALSO 64,391 OUTPATIENT VISITS FOR HOSPITAL SERVICES. SERVICES OF QUALITY MEDICAL HEALTHCARE WERE PROVIDED REGARDLESS OF RACE, CREED, SEX, NATIONAL ORIGIN, HANDICAP, AGE, OR ABILITY TO PAY. ALTHOUGH REIMBURSEMENT FOR SERVICES RENDERED IS CRITICAL TO THE OPERATION AND FINANCIAL STABILITY OF PAMC, IT IS RECOGNIZED THAT NOT ALL INDIVIDUALS POSSESS THE ABILITY TO PURCHASE ESSENTIAL MEDICAL SERVICES. IT IS FURTHER RECOGNIZED THAT OUR MISSION IS TO SERVE THE COMMUNITY WITH RESPECT TO PROVIDING HEALTHCARE SERVICES AND HEALTH EDUCATION.

4b (Code:) (Expenses \$ 3,208,521. including grants of \$) (Revenue \$ 3,585,592.)
EMERGENCY SERVICES - A SIGNIFICANT AMOUNT OF FREE CARE IS PROVIDED THROUGH THE MEDICAL CENTER'S 24-HOUR A DAY EMERGENCY DEPARTMENT WHICH RECEIVED 9,260 PATIENT VISITS DURING 2012. EMERGENCY MEDICAL CARE IS PROVIDED TO EVERY PATIENT ENTERING THE EMERGENCY DEPARTMENT, EVEN THOUGH THEY MAY BE UNABLE TO MAKE PAYMENT FOR THE SERVICES.

4c (Code:) (Expenses \$ 796,532. including grants of \$) (Revenue \$ 890,142.)
COMMUNITY BENEFIT SERVICES - IN KEEPING WITH PAMC'S COMMITMENT TO SERVE ALL MEMBERS OF ITS COMMUNITY, THE MEDICAL CENTER ALSO PROVIDED A WIDE RANGE OF ACTIVITIES WHICH INCLUDED WELLNESS PROGRAMS, COMMUNITY EDUCATION PROGRAMS, AND SPECIAL PROGRAMS FOR THE ELDERLY, HANDICAPPED OR MEDICALLY UNDER-SERVED, ALONG WITH A VARIETY OF BROAD BASED COMMUNITY SUPPORT PROGRAMS. MOST OF THESE PROGRAMS ARE OFFERED FOR THE COST OF MATERIALS AND PROFESSIONAL SERVICES ONLY, OR AT NO FEE AT ALL AS A COMMUNITY SERVICE. SEE SCHEDULE O FOR ADDITIONAL DETAILS.

4d Other program services (Describe in Schedule O.)
(Expenses \$ 16,360. including grants of \$) (Revenue \$)
4e Total program service expenses 30,444,170. (Revenue \$ 18,282.)

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		
2 Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)?	X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I	X	
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II		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	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		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		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III		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		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		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.		X
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI		
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	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		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		X
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X	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	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		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		X
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	X	
14 a Did the organization maintain an office, employees, or agents outside of the United States?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV		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		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		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)		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		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		X
20 a Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H		X
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	X	
	X	

Part IV Checklist of Required Schedules (continued)

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

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

Main form body containing questions 1a through 14b and corresponding Yes/No columns with numerical inputs.

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

Section A. Governing Body and Management

Table with 3 columns: Question, Yes, No. Rows include: 1a Enter the number of voting members of the governing body at the end of the tax year. 1b Enter the number of voting members included in line 1a, above, who are independent. 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? 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? 4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? 5 Did the organization become aware during the year of a significant diversion of the organization's assets? 6 Did the organization have members or stockholders? 7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body? 7b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? 8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following: a The governing body? b Each committee with authority to act on behalf of the governing body? 9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O.

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

Table with 3 columns: Question, Yes, No. Rows include: 10a Did the organization have local chapters, branches, or affiliates? 10b If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes? 11a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? 11b Describe in Schedule O the process, if any, used by the organization to review this Form 990. 12a Did the organization have a written conflict of interest policy? If "No," go to line 13. 12b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts? 12c Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done. 13 Did the organization have a written whistleblower policy? 14 Did the organization have a written document retention and destruction policy? 15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision? 15a The organization's CEO, Executive Director, or top management official. 15b Other officers or key employees of the organization. If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions). 16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? 16b If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed ME,
18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. Own website Another's website [X] Upon request Other (explain in Schedule O)
19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: SCOTT HEATLEY 329 MAINE STREET BRUNSWICK, ME 04011

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) MIKE ORTEL CHAIRMAN	1.00									
(2) DAN DAGGETT VICE CHAIR	1.00	X		X			0	0	0	
(3) GEORGE CANCEL BOARD MEMBER	1.00	X		X			0	0	0	
(4) ALICE CUNNINGHAM BOARD MEMBER ENDING 6/12	1.00	X					0	0	0	
(5) STAN GERZOFSKY BOARD MEMBER	1.00	X					0	0	0	
(6) EDITH CRONK BOARD MEMBER	1.00	X					0	0	0	
(7) RANDEE REYNOLDS PRESIDENT/BRD MEMBER BEG 2/12	1.00	X					0	0	0	
(8) JOEL TOMPKINS BOARD MEMBER ENDING 5/12	1.00	X					0	0	0	
(9) DARRELL FOURNIER BOARD MEMBER	1.00	X					0	0	0	
(10) THEODORE LEWIS PRES/TRSR/BRD MBR ENDING 1/12	1.00	X					0	0	0	
(11) MATTHEW MECHTENBERG, DO BRD MBR/MED STAFF PRESIDENT	40.00	X	X				0	0	0	
(12) GAYLEN JOHNSON BOARD MEMEBER BEGINNING 6/12	1.00	X					297,947.	0	17,100.	
(13) ELIZABETH BOYD BOARD MEMBER BEGINNING 6/12	1.00	X					0	0	0	
(14) WAYNE MACFARLAND BOARD MEMBER BEGINNING 6/12	1.00	X					0	0	0	

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
15) JIM RECTOR BOARD MEMBER BEGINNING 6/12	1.00	X								
16) SCOTT HEATLEY SECRETARY/TREASURER BEG. 4/12	55.00	X		X			0	0	0	
17) PAUL MONAT SECRETARY ENDING 4/12	1.00			X			0	0	0	
18) JAMES EWERT, MD PHYSICIAN	40.00						23,464.	0	0	
19) JOSEPH FELLER, MD PHYSICIAN	40.00				X		404,570.	0	13,230.	
20) JAMES ROSS, MD PHYSICIAN	40.00				X		146,137.	0	0	
21) PAUL WENTLAND, MD PHYSICIAN	40.00				X		274,821.	0	12,019.	
22) WILLIAM MCQUAID CHIEF INFORMATION OFFICER	55.00				X		223,200.	0	15,482.	
					X		148,574.	0	15,482.	
1b Sub-total							297,947.	0	17,100.	
c Total from continuation sheets to Part VII, Section A							1,220,766.	0	56,213.	
d Total (add lines 1b and 1c)							1,518,713.	0	73,313.	

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 **10**

	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		
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual	X	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If "Yes," complete Schedule J for such person		X

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
CENTRAL MAINE MEDICAL CENTER LEWISTON, ME 04240	MEDICAL STAFFING	1,150,669.
CENTRAL MAINE HEALTHCARE CORP LEWISTON, ME 04240	CONTRACT STAFFING	1,456,607.
CPS INC. ATLANTA, GA 30368-6474	PHARMACY SERVICES	883,697.
H.E. CALLAHAN CONSTRUCTION AUBURN, ME 04212	CONSTRUCTION	763,873.
WEATHERBY LOCUMS DALLAS, TX 75397	MEDICAL STAFFING	411,392.

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 **5**

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			
	e Government grants (contributions)	1e			
	f All other contributions, gifts, grants, and similar amounts not included above	1f	17,345.		
	g Noncash contributions included in lines 1a-1f: \$				
	h Total. Add lines 1a-1f		17,345.		
Program Service Revenue	2a <u>NET PATIENT SERVICE REVENUE</u>	Business Code			
	b <u>CAFETERIA</u>	900099	32,850,914.	32,850,914.	
	c <u>GIFT SHOP</u>	446110	167,908.	167,908.	
	d <u>OTHER REVENUE</u>	446110	21,269.	21,269.	
	e	900099	981,927.	981,927.	
	f All other program service revenue				
	g Total. Add lines 2a-2f		34,022,018.		
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)				
	4 Income from investment of tax-exempt bond proceeds		13,423.		13,423.
	5 Royalties		0		
	6a Gross rents	(i) Real	457,000.		
	b Less: rental expenses	(ii) Personal	95,624.		
	c Rental income or (loss)		361,376.		
	d Net rental income or (loss)		361,376.		361,376.
	7a Gross amount from sales of assets other than inventory	(i) Securities			
	b Less: cost or other basis and sales expenses	(ii) Other			
	c Gain or (loss)				
	d Net gain or (loss)		0		
	8a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	a			
b Less: direct expenses	b				
c Net income or (loss) from fundraising events		0			
9a Gross income from gaming activities. See Part IV, line 19	a				
b Less: direct expenses	b				
c Net income or (loss) from gaming activities		0			
10a Gross sales of inventory, less returns and allowances	a				
b Less: cost of goods sold	b				
c Net income or (loss) from sales of inventory		0			
Miscellaneous Revenue		Business Code			
11a					
b					
c					
d All other revenue					
e Total. Add lines 11a-11d		0			
12 Total revenue. See instructions		34,414,162.	34,022,018.		374,799.

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	43,420.	43,420.		
2 Grants and other assistance to individuals in the United States. See Part IV, line 22	0			
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16.	0			
4 Benefits paid to or for members	0			
5 Compensation of current officers, directors, trustees, and key employees	338,511.	315,047.	23,464.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7 Other salaries and wages	10,838,053.	9,564,402.	1,273,651.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	0			
9 Other employee benefits	1,697,233.	1,518,848.	178,385.	
10 Payroll taxes	793,947.	711,333.	82,614.	
11 Fees for services (non-employees):				
a Management	649,206.			
b Legal	148,744.		649,206.	
c Accounting	68,250.		148,744.	
d Lobbying	0		68,250.	
e Professional fundraising services. See Part IV, line 17	0			
f Investment management fees	0			
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.)	8,257,764.	6,942,540.	1,315,224.	
12 Advertising and promotion	303,339.	61,507.	241,832.	
13 Office expenses	1,692,191.	1,186,153.	506,038.	
14 Information technology	0			
15 Royalties	0			
16 Occupancy	728,303.	451,310.	276,993.	
17 Travel	84,777.	78,281.	6,496.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings	11,760.	9,929.	1,831.	
20 Interest	268,036.	215,808.	52,228.	
21 Payments to affiliates	0			
22 Depreciation, depletion, and amortization	1,431,414.	1,152,496.	278,918.	
23 Insurance	276,580.	558.	276,022.	
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a <u>BAD DEBT</u>	3,071,285.	3,071,285.		
b <u>MEDICAL SUPPLIES & DRUGS</u>	4,157,038.	4,157,038.		
c <u>LICENSES, DUES, SUBSCRIPTION</u>	172,025.	100,185.	71,840.	
d <u>PROVIDER TAX</u>	854,091.	854,091.		
e All other expenses	32,540.	9,939.	22,601.	
25 Total functional expenses. Add lines 1 through 24e	35,918,507.	30,444,170.	5,474,337.	
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)	0			

Part X Balance Sheet

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

Table with columns (A) Beginning of year, (B) End of year. Rows include Assets (1-16) and Liabilities (17-26). Total assets: 19,814,182. Total liabilities: 21,349,949. Net assets or fund balances: -1,433,582.

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	34,414,162.
2	Total expenses (must equal Part IX, column (A), line 25)	2	35,918,507.
3	Revenue less expenses. Subtract line 2 from line 1	3	-1,504,345.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	70,763.
5	Net unrealized gains (losses) on investments	5	0
6	Donated services and use of facilities	6	0
7	Investment expenses	7	0
8	Prior period adjustments	8	0
9	Other changes in net assets or fund balances (explain in Schedule O)	9	0
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	-1,433,582.

Part XII Financial Statements and Reporting

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

	Yes	No
1 Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
2a Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		X
b Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	X	
c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	X	
3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		X
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		

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

PARKVIEW ADVENTIST MEDICAL CENTER

Employer identification number

01-0244035

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

- The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)
- 1 A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
 - 2 A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E.)
 - 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
 - 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: _____
 - 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)
 - 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
 - 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
 - 8 A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
 - 9 An organization that normally receives: (1) more than 33 1/3 % of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3 % of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)
 - 10 An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**
 - 11 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h.
 - a Type I b Type II c Type III-Functionally integrated d Type III-Non-functionally integrated
- e By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
- f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
- (i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?
 - (ii) A family member of a person described in (i) above?
 - (iii) A 35% controlled entity of a person described in (i) or (ii) above?
- h Provide the following information about the supported organization(s).

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

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

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

Schedule A (Form 990 or 990-EZ) 2012

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3.						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f).						
6 Public support. Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 Total support. Add lines 7 through 10						
12 Gross receipts from related activities, etc. (see instructions)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here						<input type="checkbox"/>

Section C. Computation of Public Support Percentage

14 Public support percentage for 2012 (line 6, column (f) divided by line 11, column (f))	14	%
15 Public support percentage from 2011 Schedule A, Part II, line 14	15	%
16a 33 1/3% support test - 2012. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
b 33 1/3% support test - 2011. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
17a 10%-facts-and-circumstances test - 2012. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
b 10%-facts-and-circumstances test - 2011. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions		<input type="checkbox"/>

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

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b.						
8 Public support (Subtract line 7c from line 6.)						

Section B. Total Support

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

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

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

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

19a **33 1/3% support tests - 2012.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ►

b **33 1/3% support tests - 2011.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ►

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

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 of Contributors

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

2012

Name of the organization
 PARKVIEW ADVENTIST MEDICAL CENTER

Employer identification number
 01-0244035

Organization type (check one):

- | Filers of: | Section: |
|--------------------|---|
| Form 990 or 990-EZ | <input checked="" type="checkbox"/> 501(c)(3) (enter number) organization |
| | <input type="checkbox"/> 4947(a)(1) nonexempt charitable trust not treated as a private foundation |
| | <input type="checkbox"/> 527 political organization |
| Form 990-PF | <input type="checkbox"/> 501(c)(3) exempt private foundation |
| | <input type="checkbox"/> 4947(a)(1) nonexempt charitable trust treated as a private foundation |
| | <input type="checkbox"/> 501(c)(3) taxable private foundation |

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

General Rule

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

Special Rules

- For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3 % support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.
- For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not total to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year ▶ \$ _____

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

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

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1		\$ 8,758.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization **PARKVIEW ADVENTIST MEDICAL CENTER**

Employer identification number

01-0244035

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

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

Name of organization PARKVIEW ADVENTIST MEDICAL CENTER

Employer identification number

01-0244035

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

For organizations completing Part III, enter the total of *exclusively* religious, charitable, etc., contributions of **\$1,000 or less** for the year. (Enter this information once. See instructions.) ▶ \$ _____
Use duplicate copies of Part III if additional space is needed.

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

SCHEDULE C
(Form 990 or 990-EZ)

Political Campaign and Lobbying Activities

OMB No. 1545-0047

2012

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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.

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

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

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

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

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

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

Name of organization

PARKVIEW ADVENTIST MEDICAL CENTER

Employer identification number

01-0244035

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

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

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

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

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

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

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

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

Schedule C (Form 990 or 990-EZ) 2012

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

- A** Check if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures).
- B** Check if the filing organization checked box A and "limited control" provisions apply.

Limits on Lobbying Expenditures
(The term "expenditures" means amounts paid or incurred.)

	(a) Filing organization's totals	(b) Affiliated group totals												
1 a Total lobbying expenditures to influence public opinion (grass roots lobbying)														
b Total lobbying expenditures to influence a legislative body (direct lobbying)														
c Total lobbying expenditures (add lines 1a and 1b)														
d Other exempt purpose expenditures														
e Total exempt purpose expenditures (add lines 1c and 1d)														
f Lobbying nontaxable amount. Enter the amount from the following table in both columns.														
<table border="1"> <thead> <tr> <th>If the amount on line 1e, column (a) or (b) is:</th> <th>The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e.</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000.</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000.</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000.</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000.</td> </tr> </tbody> </table>			If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e.	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.	Over \$17,000,000	\$1,000,000.
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:													
Not over \$500,000	20% of the amount on line 1e.													
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.													
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.													
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.													
Over \$17,000,000	\$1,000,000.													
g Grassroots nontaxable amount (enter 25% of line 1f)														
h Subtract line 1g from line 1a. If zero or less, enter -0-														
i Subtract line 1f from line 1c. If zero or less, enter -0-														
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?														

Yes No

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

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

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

For each "Yes," response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.

Table with columns (a) Yes/No and (b) Amount. Rows include: 1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation... a Volunteers? b Paid staff or management... c Media advertisements? d Mailings to members... e Publications... f Grants to other organizations... g Direct contact with legislators... h Rallies, demonstrations... i Other activities? j Total. Add lines 1c through 1i. 2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)? 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).

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

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."

Table with columns 1, 2a, 2b, 2c, 3, 4, 5. Rows: 1 Dues, assessments and similar amounts from members. 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. b Carryover from last year. c Total. 3 Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues. 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? 5 Taxable amount of lobbying and political expenditures (see instructions).

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.

OTHER LOBBYING ACTIVITIES

SCHEDULE C, PART II-B, LINE 1I

A PORTION OF THE DUES PAID TO PROFESSIONAL AND BUSINESS ASSOCIATIONS ARE

ALLOCATED TO LOBBYING ON MATTERS OF IMPORTANCE TO THEIR GENERAL

MEMBERSHIP.

Part IV Supplemental Information (continued)

SCHEDULE D (Form 990)

Supplemental Financial Statements

OMB No. 1545-0047

2012

Open to Public Inspection

Department of the Treasury Internal Revenue Service

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

Attach to Form 990. See separate instructions.

Name of the organization

Employer identification number

PARKVIEW ADVENTIST MEDICAL CENTER

01-0244035

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.

Table with 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows 1-4: Total number at end of year, Aggregate contributions to (during year), Aggregate grants from (during year), 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?
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?

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).
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.

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

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

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

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

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?

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

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?
b If "Yes," explain the arrangement in Part XIII and complete the following table:

Table with 2 columns: Description, Amount. Rows: 1c Beginning balance, 1d Additions during the year, 1e Distributions during the year, 1f Ending balance.

2a Did the organization include an amount on Form 990, Part X, line 21?
b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII.

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

Table with 6 columns: (a) Current year, (b) Prior year, (c) Two years back, (d) Three years back, (e) Four years back. Rows: 1a-1g Balance and expense categories.

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

- a Board designated or quasi-endowment %
b Permanent endowment %
c Temporarily restricted endowment %

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

- (i) unrelated organizations
(ii) related organizations

Yes/No table for 3a(i), 3a(ii), 3b.

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?
4 Describe in Part XIII the intended uses of the organization's endowment funds.

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

Table with 4 columns: (a) Cost or other basis (investment), (b) Cost or other basis (other), (c) Accumulated depreciation, (d) Book value. Rows: 1a Land, 1b Buildings, 1c Leasehold improvements, 1d Equipment, 1e Other, Total.

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

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

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

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

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

(a) Description	(b) Book value
(1) DUE FROM AFFILIATES	
(2) OTHER RECEIVABLES	731,823.
(3) EST AMT DUE FROM 3RD PTY PYRS	351,540.
(4) EST INSURANCE RECOVERIES	4,504,684.
(5)	593,000.
(6)	
(7)	
(8)	
(9)	
(10)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.)	6,181,047.

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

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) DUE TO AFFILIATES	563,660.
(3) EST AMT DUE TO 3RD PTY PYRS	5,910,091.
(4) EST INSURANCE COSTS	593,000.
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.)	7,066,751.

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

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

1	Total revenue, gains, and other support per audited financial statements		1	31,438,501.
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	-3,071,285.	
e	Add lines 2a through 2d		2e	-3,071,285.
3	Subtract line 2e from line 1		3	34,509,786.
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	-95,624.	
c	Add lines 4a and 4b		4c	-95,624.
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)		5	34,414,162.

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

1	Total expenses and losses per audited financial statements		1	32,942,846.
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	95,624.	
e	Add lines 2a through 2d		2e	95,624.
3	Subtract line 2e from line 1		3	32,847,222.
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	3,071,285.	
c	Add lines 4a and 4b		4c	3,071,285.
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)		5	35,918,507.

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.

SEE PAGE 5

Part XIII Supplemental Information (continued)

UNCERTAIN TAX POSITIONS

SCHEDULE D, PART X, LINE 2

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

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

SCHEDULE D, PART XI, LINE 2D

BAD DEBT EXPENSE \$(3,071,285)

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

SCHEDULE D, PART XI, LINE 4B

RENTAL EXPENSES \$(95,624)

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

SCHEDULE D, PART XII, LINE 2D

RENTAL EXPENSES \$ 95,624

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

SCHEDULE D, PART XII, LINE 4B

BAD DEBT EXPENSE \$ 3,071,285

SCHEDULE H
(Form 990)

Hospitals

OMB No. 1545-0047

2012

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

Name of the organization

PARKVIEW ADVENTIST MEDICAL CENTER

Employer identification number

01-0244035

Part I Financial Assistance and Certain Other Community Benefits at Cost

- 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 its 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) as a factor in determining eligibility for providing free care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care:
- 100% 150% 200% Other _____ %
- b** Did the organization use FPG as a factor in determining eligibility for providing discounted care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care:
- 200% 250% 300% 350% 400% Other _____ %
- c** If the organization used factors other than FPG in determining eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care.
- 4** Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"? **4** X
- 5a** Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year? **5a** X
- b** If "Yes," did the organization's financial assistance expenses exceed the budgeted amount? **5b** X
- c** If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care? **5c**
- 6a** Did the organization prepare a community benefit report during the tax year? **6a** X
- b** If "Yes," did the organization make it available to the public? **6b**

	Yes	No
1a	X	
1b	X	
3a	X	
3b	X	
4	X	
5a	X	
5b		X
5c		
6a		X
6b		

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)			414,658.		414,658.	1.26
b Medicaid (from Worksheet 3, column a)			4,463,828.	3,303,486.	1,160,342.	3.53
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs			4,878,486.	3,303,486.	1,575,000.	4.79
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			2,500.		2,500.	.01
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			43,420.		43,420.	.13
j Total. Other Benefits			45,920.		45,920.	.14
k Total. Add lines 7d and 7j.			4,924,406.	3,303,486.	1,620,920.	4.93

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

Schedule H (Form 990) 2012

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

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

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

	Yes	No
1 Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?		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.		
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 the rationale, if any, for including this portion of bad debt as community benefit.		
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.		

Section B. Medicare

5 Enter total revenue received from Medicare (including DSH and IME)	5	7,062,978.
6 Enter Medicare allowable costs of care relating to payments on line 5	6	10,038,877.
7 Subtract line 6 from line 5. This is the surplus (or shortfall)	7	-2,975,899.
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: <input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other		

Section C. Collection Practices

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

Part IV Management Companies and Joint Ventures (owned 10% or more by officers, directors, trustees, key employees, and physicians-see instructions)

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

Part V Facility Information (continued)

Section B. Facility Policies and Practices

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

Name of hospital facility or facility reporting group PARKVIEW ADVENTIST MEDICAL CENTER

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

Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)		Yes	No
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 If "Yes," indicate what the CHNA report describes (check all that apply):		
a	<input type="checkbox"/> A definition of the community served by the hospital facility		
b	<input type="checkbox"/> Demographics of the community		
c	<input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d	<input type="checkbox"/> How data was obtained		
e	<input type="checkbox"/> The health needs of the community		
f	<input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g	<input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h	<input type="checkbox"/> The process for consulting with persons representing the community's interests		
i	<input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs		
j	<input type="checkbox"/> Other (describe in Part VI)		
2	Indicate the tax year the hospital facility last conducted a CHNA: 20 <u> </u>		
3	In conducting its most recent CHNA, did the hospital facility take into account input from representatives of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted.		
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		
5	Did the hospital facility make its CHNA report widely available to the public? If "Yes," indicate how the CHNA report was made widely available (check all that apply):		
a	<input type="checkbox"/> Hospital facility's website		
b	<input type="checkbox"/> Available upon request from the hospital facility		
c	<input type="checkbox"/> Other (describe in Part VI)		
6	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply to date):		
a	<input type="checkbox"/> Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA		
b	<input type="checkbox"/> Execution of the implementation strategy		
c	<input type="checkbox"/> Participation in the development of a community-wide plan		
d	<input type="checkbox"/> Participation in the execution of a community-wide plan		
e	<input type="checkbox"/> Inclusion of a community benefit section in operational plans		
f	<input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA		
g	<input type="checkbox"/> Prioritization of health needs in its community		
h	<input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
i	<input type="checkbox"/> Other (describe in Part VI)		
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs		
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)?		
b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?		
c	If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$ <u> </u>		

Part V Facility Information (continued)

Financial Assistance Policy PARKVIEW ADVENTIST MEDICAL CENTER

		Yes	No
9	Did the hospital facility have in place during the tax year a written financial assistance policy that: Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	X	
10	Used federal poverty guidelines (FPG) to determine eligibility for providing <i>free</i> care? If "Yes," indicate the FPG family income limit for eligibility for free care: <u>2</u> <u>0</u> <u>0</u> % If "No," explain in Part VI the criteria the hospital facility used.	X	
11	Used FPG to determine eligibility for providing <i>discounted</i> care? If "Yes," indicate the FPG family income limit for eligibility for discounted care: <u>3</u> <u>0</u> <u>0</u> % If "No," explain in Part VI the criteria the hospital facility used.	X	
12	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply):	X	
a	<input checked="" type="checkbox"/> Income level		
b	<input type="checkbox"/> Asset level		
c	<input checked="" type="checkbox"/> Medical indigency		
d	<input type="checkbox"/> Insurance status		
e	<input type="checkbox"/> Uninsured discount		
f	<input checked="" type="checkbox"/> Medicaid/Medicare		
g	<input type="checkbox"/> State regulation		
h	<input type="checkbox"/> Other (describe in Part VI)		
13	Explained the method for applying for financial assistance?	X	
14	Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply):	X	
a	<input type="checkbox"/> The policy was posted on the hospital facility's website		
b	<input type="checkbox"/> The policy was attached to billing invoices		
c	<input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms		
d	<input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices		
e	<input type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility		
f	<input checked="" type="checkbox"/> The policy was available on request		
g	<input type="checkbox"/> Other (describe in Part VI)		

Billing and Collections

15	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?		X
16	Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP:		
a	<input type="checkbox"/> Reporting to credit agency		
b	<input type="checkbox"/> Lawsuits		
c	<input type="checkbox"/> Liens on residences		
d	<input type="checkbox"/> Body attachments		
e	<input type="checkbox"/> Other similar actions (describe in Part VI)		
17	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP? If "Yes," check all actions in which the hospital facility or a third party engaged:		X
a	<input type="checkbox"/> Reporting to credit agency		
b	<input type="checkbox"/> Lawsuits		
c	<input type="checkbox"/> Liens on residences		
d	<input type="checkbox"/> Body attachments		
e	<input type="checkbox"/> Other similar actions (describe in Part VI)		

Part V Facility Information (continued) PARKVIEW ADVENTIST MEDICAL CENTER

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

Policy Relating to Emergency Medical Care

- 19 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?
- | | Yes | No |
|-----------|-----|----|
| 19 | 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)

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

- 20 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care.
- a The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged
 - b The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged
 - c The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged
 - d Other (describe in Part VI)
- 21 During the tax year, did the hospital facility charge any of its FAP- eligible individuals, to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care?
- | | Yes | No |
|-----------|-----|----|
| 20 | | X |
- If "Yes," explain in Part VI.
- 22 During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual?
- | | Yes | No |
|-----------|-----|----|
| 21 | | 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? 2

Name and address	Type of Facility (describe)
1 PARKVIEW REHAB & WELLNESS 3 HORTON PLACE TOPSHAM ME 04086	OUTPATIENT REHAB & WELLNESS
2 PARKVIEW UROLOGY 85 BARIBEAU DRIVE BRUNSWICK ME 04011	OUTPATIENT REHAB & WELLNESS
3	
4	
5	
6	
7	
8	
9	
10	

Part VI Supplemental Information

Complete this part to provide the following information.

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; 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 hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).
- 6 Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.
- 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, 20d, 21, and 22.

PERCENT OF TOTAL EXPENSE

SCHEDULE H, PART I, LINE 7, COLUMN F

THE PERCENT OF TOTAL EXPENSE ON SCHEDULE H, PART I, LINE 7, COLUMN (F),
WAS CALCULATED USING TOTAL EXPENSES ON FORM 990, PART IX, LINE 25, COLUMN
(A) LESS BAD DEBT EXPENSE.

COSTING METHODOLOGY

SCHEDULE H, PART I, LINE 7G

THE COST TO CHARGE RATIO CALCULATED ON IRS WORKSHEET 2 WAS USED IN THE
CALCULATION OF COST ON IRS WORKSHEETS 1 AND 3.

BAD DEBT EXPENSE AND COSTING METHODOLOGY

SCHEDULE H, PART III, SECTION A, LINES 2, 3, & 4

THE AUDITED FINANCIAL STATEMENTS DO NOT CONTAIN A FOOTNOTE THAT DESCRIBES
BAD DEBT EXPENSE. THEY DO, HOWEVER, CONTAIN A FOOTNOTE THAT DESCRIBES
PATIENT ACCOUNTS RECEIVABLE: THE MEDICAL CENTER REPORTS PATIENT ACCOUNTS
RECEIVABLE FOR SERVICES RENDERED AT NET REALIZABLE AMOUNTS FROM

Part VI Supplemental Information

Complete this part to provide the following information.

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; Part V, Section A; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22.
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- 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, 20d, 21, and 22.

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

THE MEDICAL CENTER GRANTS CREDIT WITHOUT COLLATERAL TO PATIENTS, MOST OF WHOM ARE LOCAL RESIDENTS AND ARE INSURED UNDER THIRD-PARTY AGREEMENTS. ADDITIONS TO THE ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS ARE MADE BY MEANS OF THE PROVISION FOR UNCOLLECTIBLE ACCOUNTS. ACCOUNTS WRITTEN OFF AS UNCOLLECTIBLE ARE DEDUCTED FROM THE ALLOWANCE AND SUBSEQUENT RECOVERIES ARE ADDED. THE AMOUNT OF THE PROVISIONS FOR UNCOLLECTIBLE ACCOUNTS IS BASED UPON MANAGEMENT'S ASSESSMENT OF HISTORICAL AND EXPECTED NET

Part VI Supplemental Information

Complete this part to provide the following information.

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; Part V, Section A; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22.
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COLLECTIONS, BUSINESS AND ECONOMIC CONDITIONS, TRENDS TN FEDERAL AND STATE GOVERNMENTAL HEALTHCARE COVERAGE, AND OTHER COLLECTION INDICATORS. THE MEDICAL CENTER DETERMINES THE ACTUAL WRITE-OFF OF PATIENT ACCOUNTS AFTER A REASONABLE AMOUNT OF TIME HAS PASSED SINCE THE FIRST BILLING (AT LEAST 180 DAYS) AND REASONABLE COLLECTION EFFORTS MADE. THE ESTIMATE OF BAD DEBT EXPENSE ATTRIBUTABLE TO PATIENTS ELIGIBLE UNDER THE MEDICAL CENTER'S CHARITY CARE POLICY IS BASED ON A 1 FOR 1 BASIS. IN OTHER WORDS, FOR EVERY PATIENT THAT APPLIES AND IS APPROVED FOR CHARITY CARE, THERE IS ANOTHER PATIENT THAT DOESN'T APPLY, BUT WOULD BE APPROVED.

COMMUNITY BENEFIT

SCHEDULE H, PART III, SECTION B, LINE 8

THE HOSPITAL IS REIMBURSED UNDER PPS FOR MEDICARE BENEFICIARIES, THE COST REPORTED ON LINE 6 IS DIRECTLY FROM THE 2012 MEDICARE COST REPORT WHERE COST TO CHARGE RATIOS ARE UTILIZED FOR ANCILLARY CHARGES/COSTS AND A CALCULATED PER DIEM RATE FOR ROUTINE AND ICU CHARGES/COSTS.

Part VI Supplemental Information

Complete this part to provide the following information.

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; Part V, Section A; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22.
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- 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, 20d, 21, and 22.

COLLECTION POLICY

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

BECAUSE OUR CHARITY CARE POLICY ALLOWS FOR A PERCENTAGE-BASED CHARITY APPROVAL ON THEIR INCOME COMPARED TO THE FEDERAL POVERTY LEVEL, SOME OF THOSE ACCOUNTS THAT QUALIFY FOR LESS THAN 100% WRITE-OFF, MIGHT STILL, HAVE OUTSTANDING BALANCES. THOSE OUTSTANDING BALANCES ARE SUBJECT TO THE SAME COLLECTION POLICY PROCEDURES AS IF THEY DID NOT QUALIFY FOR CHARITY CARE.

NEEDS ASSESSMENT

SCHEDULE H, PART VI, LINE 2

PARKVIEW PERIODICALLY DOES MARKET RESEARCH AND NEEDS ASSESSMENTS TO DETERMINE WHAT THE NEEDS ARE IN THE COMMUNITY. WE PARTICIPATE IN ACCESS HEALTH WHICH IS THE LOCAL HEALTHY MAINE PARTNERSHIP AND THROUGH THEM EXTENSIVE ASSESSMENTS ARE COMPLETED WITH BOTH QUESTIONNAIRES, REVIEW OF STATE AND REGIONAL DATA, WORKING WITH MAINE CDC, ETC. WE CONDUCT MARKET RESEARCH (LAST DONE IN 2008-2009), FOCUS GROUPS, AND WE EVALUATE THE

Part VI Supplemental Information

Complete this part to provide the following information.

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; 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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- 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, 20d, 21, and 22.

CHANGES OCCURRING IN THE DEMOGRAPHICS.

PATIENT EDUCATION AND ELIGIBILITY FOR ASSISTANCE:

SCHEDULE H, PART VI, LINE 3

WHEN A PATIENT IS REGISTERED, THIS INFORMATION IS DISCUSSED AND THE POLICIES & PAPERWORK ARE MADE AVAILABLE TO THE PATIENT SO THEY KNOW WE HAVE THESE PROGRAMS IN PLACE. WE ALSO REITERATE THESE PROGRAMS IF QUESTIONED BY A PATIENT DURING THE BILLING PROCESS.

COMMUNITY INFORMATION

SCHEDULE H, PART VI, LINE 4

OUR MOST RECENT SUMMARY REVIEW OF THE DEMOGRAPHICS: BRUNSWICK IS THE SIXTH LARGEST TOWN IN MAINE WITH AN ESTIMATED POPULATION OF 21,172 ACCORDING TO THE 2000 CENSUS. THE MEDIAN FAMILY INCOME IN CUMBERLAND COUNTY IN 2009 WAS \$52,459 ACCORDING TO US CENSUS BUREAU ESTIMATES COMPARED TO A NATIONAL MEDIAN OF \$50,221 AND A STATEWIDE MEDIAN FOR MAINE OF \$45,708. THE PERCENTAGE OF POPULATION UNDER THE POVERTY LEVEL IN 2011

Part VI Supplemental Information

Complete this part to provide the following information.

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; 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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- 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, 20d, 21, and 22.

IN BRUNSWICK WAS 9.2% VERSUS A NATIONAL AVERAGE OF 15.1% AND A STATEWIDE AVERAGE FOR MAINE OF 11.5%, ACCORDING TO THE ZIPATLAS WEB SITE. CUMBERLAND COUNTY, WHERE BRUNSWICK IS LOCATED, HAD AN ESTIMATED UNEMPLOYMENT RATE OF 6.0% IN AUGUST 2011 ACCORDING TO THE MAINE GOVERNMENT WEB SITE.

PROMOTION OF COMMUNITY HEALTH

SCHEDULE H, PART VI, LINE 5

THE ORGANIZATION PROMOTES COMMUNITY HEALTH BY PROVIDING GENERAL WELLNESS SCREENINGS AND PROGRAMS, AS WELL AS OFFERING SUPPORT GROUPS.

BLOOD PRESSURE SCREENINGS - FREE BLOOD PRESSURE SCREENINGS ARE AVAILABLE TO ANYONE AT ANYTIME THROUGH THE EMERGENCY DEPARTMENT AT PARKVIEW

ADVENTIST MEDICAL CENTER. THERE MAY BE A DELAY IN CASE OF A CRITICAL EMERGENCY.

BREATHE FREE PLAN TO STOP SMOKING - THIS COURSE IS FOR INDIVIDUALS

SEEKING GROUP SUPPORT IN BECOMING FREE FROM TOBACCO ADDICTION. THE FOCUS

Part VI Supplemental Information

Complete this part to provide the following information.

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; Part V, Section A; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22.
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IS ON PERSONAL GROWTH AND DEVELOPMENT, WHILE CREATING NEW HABITS TO MEET
THE NEEDS THAT TOBACCO ONCE FULFILLED

PERSONAL WELLNESS PROFILE - THIS PROGRAM PROVIDES A COMPLETE HEALTH AND
LIFESTYLE ASSESSMENT BASED ON THE MOST CURRENT SCIENTIFIC GUIDELINES FOR
OPTIMAL HEALTH. IT EVALUATES FAMILY HISTORY, BIOMETRICS, CLINICAL
TESTING, NUTRITION, FITNESS, STRESS MANAGEMENT AND SEVERAL OTHER CRUCIAL
HEALTH FACTORS. PARTICIPANTS WILL BE GIVEN A LENGTHY PAGE ANALYSIS OF
HIS/HER OVERALL WELLNESS ASSESSMENT, PHYSICAL FITNESS, EATING HABITS,
HEART HEALTH, CANCER RISK, BODY COMPOSITION, OSTEOPOROSIS RISK STRESS,
SAFETY AND MUCH MORE.

SUPPORT GROUPS INCLUDE WEIGHT MANAGEMENT PROGRAM, LIFE BEYOND LOSS -
GRIEF RECOVERY, CARE FOR THE CAREGIVER, COPING WITH CHRONIC PAIN AND
ILLNESS.

**SCHEDULE I
(Form 990)**

Department of the Treasury
Internal Revenue Service
Name of the organization

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

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

OMB No. 1545-0047

2012

**Open to Public
Inspection**

PARKVIEW ADVENTIST MEDICAL CENTER

Employer identification number

01-0244035

Part I General Information on Grants and Assistance

- Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? Yes No
- Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States. Yes No

Part II Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Part II can be duplicated if additional space is needed.

1	(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1)	LIGHTHOUSE FOUNDATION PO BOX 899 CAMDEN, ME 04843	52-2377085	501(C)(3)	13,000.				SUPPORT
(2)								
(3)								
(4)								
(5)								
(6)								
(7)								
(8)								
(9)								
(10)								
(11)								
(12)								

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

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

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

	(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
1						
2						
3						
4						
5						
6						
7						

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

MONITORING USE OF GRANT FUNDS

SCHEDULE I, PART 1, LINE 2

ALL GRANTS ARE MADE TO VERIFIED 501(C)(3) ORGANIZATIONS THAT HAVE HAD LONG-STANDING RELATIONSHIPS WITH THE ORGANIZATION. THERE IS NO FORMAL PROCESS IN PLACE FOR MONITORING HOW THESE ORGANIZATIONS USE GRANTS FUNDS.

**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

PARKVIEW ADVENTIST MEDICAL CENTER

Employer identification number

01-0244035

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Schedule J (Form 990) 2012

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

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

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

(A) Name and Title	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1 JAMES EWERT, MD PHYSICIAN	395,743.	0	8,827.	0	13,230.	417,800.	0
2 MATTHEW MECHTENBERG, DO BRD MBR/MED STAFF PRESIDENT	192,203.	87,172.	18,572.	0	17,100.	315,047.	0
3 JAMES ROSS, MD PHYSICIAN	272,991.	0	1,830.	0	12,019.	286,840.	0
4 PAUL WENTLAND, MD PHYSICIAN	183,121.	27,058.	13,021.	0	15,482.	238,682.	0
5 WILLIAM MCQUAID CHIEF INFORMATION OFFICER	146,322.	0	2,252.	0	15,482.	164,056.	0
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							

Part III Supplemental Information

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

**SCHEDULE K
(Form 990)**

Department of the Treasury
Internal Revenue Service

Name of the organization

PARKVIEW ADVENTIST MEDICAL CENTER

Part I Bond Issues

Employer identification number
01-0244035

REFUNDING ISSUE OF 1998B SERIES BO

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

(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pooled financing	
						Yes	No	Yes	No	Yes	No
A ME BLITH & HIGHER EDUC. FACILITIES AUTHORITY - 2010B	01-0314384	5604273A5	06/24/2010	113,477,369.	REFUNDING ISSUE OF 1998B SERIES BO		X		X		X
B											
C											
D											

Part II Proceeds

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Amount of bonds retired								
2 Amount of bonds legally defeased								
3 Total proceeds of issue								
4 Gross proceeds in reserve funds		1,804,946.						
5 Capitalized interest from proceeds		253,505.						
6 Proceeds in refunding escrows								
7 Issuance costs from proceeds		1,993,127.						
8 Credit enhancement from proceeds		23,538.						
9 Working capital expenditures from proceeds								
10 Capital expenditures from proceeds								
11 Other spent proceeds								
12 Other unspent proceeds		1,807.						
13 Year of substantial completion		2010						

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

Part III Private Business Use

1 Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?								
2 Are there any lease arrangements that may result in private business use of bond-financed property?								

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

Part III Private Business Use (Continued)

REFUNDING ISSUE OF 1998B SERIES BO

	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?								
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?								
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?								
b If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of		%		%		%		%
c If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?								
9 Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?								

Part IV Arbitrage

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

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

ISSUE PRICE

SCHEDULE K, PART I, COLUMN E

THE ISSUE PRICE FOR THE MAINE HEALTH AND HIGHER EDUCATION FACILITIES BOND IS THE TOTAL PRICE OF THE ISSUE, WHICH INCLUDES BONDS FOR SEVERAL TAX EXEMPT ENTITIES, OF WHICH THE ORGANIZATION WAS ONLY ONE.

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Name of the organization

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**

PARKVIEW ADVENTIST MEDICAL CENTER

Employer identification number

01-0244035

ORGANIZATION'S MISSION

FORM 990, PART 1, LINE 1

PARKVIEW ADVENTIST MEDICAL CENTER, IN OUR COMMITMENT TO THE COMMUNITY WE SERVE, EXISTS TO REFLECT THE LOVING COMPASSIONATE LIFE AND WORK OF JESUS CHRIST, WHOSE TOTAL MISSION WAS TO OFFER WHOLENESS TO PEOPLE PHYSICALLY, EMOTIONALLY AND SPIRITUALLY.

WELLNESS SERVICES

FORM 990, PART III, LINE 4C

PAMC'S WELLNESS DEPARTMENT REFLECTS THE SHIFT IN HEALTHCARE FOCUS FROM TREATMENT TO PREVENTION. THE CONCEPT OF WELLNESS IS TO MAKE SICK PEOPLE WELL AND TO KEEP WELL PEOPLE FROM GETTING SICK. RESEARCH IS PROVIDING THAT EXERCISE AND PROPER DIET CAN HELP REVERSE MANY CHRONIC DISEASES AND REDUCE THE USE OF MEDICATION IN MANY ILLNESSES.

HEALTH TALKS HAVE BEEN GIVEN TO SCHOOLS, INDUSTRIES, SOCIAL AND CIVIC GROUPS. HEALTH INFORMATION, COUNSELING, AND AUDIOVISUALS HAVE BEEN PROVIDED TO THE COMMUNITY.

OTHER PROGRAM SERVICES

FORM 990, PART III, LINE 4D

PAMC HAS AN ACTIVE VOLUNTEER PROGRAM. DURING 2012, THERE WERE VOLUNTEERS WHO GAVE MANY HOURS TOWARD THE COMMON PURPOSE OF MEETING THE HEALTHCARE NEEDS OF THE COMMUNITY. THE VALUE OF THIS PROGRAM IS GIVEN BACK TO THE

Name of the organization

PARKVIEW ADVENTIST MEDICAL CENTER

Employer identification number

01-0244035

COMMUNITY THROUGH LOWER COSTS FOR PATIENT SERVICES AND HEALTH EDUCATION.

MANAGEMENT DUTIES

FORM 990, PART VI, SECTION A, LINE 3

THE POSITION OF PRESIDENT OF THE ORGANIZATION IS OUTSOURCED TO CENTRAL MAINE HEALTHCARE CORPORATION (CMHC). THE PRESIDENT IS EMPLOYED BY CMHC, UNDER A CONTRACT APPROVED BY THE ORGANIZATION'S BOARD OF DIRECTORS. THE BOARD OF DIRECTORS MAINTAINS OVERSIGHT OF THIS POSITION, BUT DAY TO DAY OPERATIONS ARE MANAGED AND SUPERVISED BY THE PRESIDENT.

MEMBERS

FORM 990, PART VI, SECTION A, LINE 6, 7A, & 7B

THERE SHALL BE TWO CLASSES OF MEMBERS, EX OFFICIO AND REGULAR. EX-OFFICIO MEMBERS SHALL CONSIST OF: (A) THE PRESIDENT OF THE NORTHERN NEW ENGLAND CONFERENCE OF SEVENTH-DAY ADVENTISTS, WHO SHALL SERVE AS THE CHAIR OF THE MEMBERSHIP; (B) THE TREASURER OF THE NORTHERN NEW ENGLAND CONFERENCE OF SEVENTH-DAY ADVENTISTS, WHO SHALL SERVE AS THE VICE CHAIR OF THE MEMBERSHIP; (C) THE PRESIDENT OF THE ATLANTIC UNION CONFERENCE OF SEVENTH-DAY ADVENTISTS, OR HIS OR HER DESIGNEE; (D) THE PASTOR OF THE BRUNSWICK, MAINE SEVENTH-DAY CHURCH; AND (E) THE PRESIDENT AND CHIEF EXECUTIVE OFFICER OF THE CORPORATION. EACH EX OFFICIO MEMBER SHALL HOLD OFFICE UNTIL HIS OR HER RESIGNATION.

THE EX OFFICIO MEMBERS SHALL BE ENTITLED TO ELECT A TOTAL OF FOUR REGULAR MEMBERS. EACH REGULAR MEMBER SHALL: (A) BE A RESIDENT OF THE STATE OF MAINE, NEW HAMPSHIRE, OR VERMONT; (B) BE MORE THAN EIGHTEEN YEARS OF AGE;

Name of the organization

PARKVIEW ADVENTIST MEDICAL CENTER

Employer identification number

01-0244035

(C) HAVE AN INTEREST IN HEALTH CARE MATTERS; (D) UNDERSTAND AND SUPPORT THE OPERATIONAL PHILOSOPHY OF SEVENTH-DAY ADVENTIST HEALTH CARE FACILITIES; (E) SUPPORT THE PHILOSOPHY AND OBJECTIVES OF THE CHURCH AND ITS MEDICAL MINISTRY; AND (F) BE A MEMBER IN GOOD STANDING OF THE CHURCH. EXCEPT AS OTHERWISE PROVIDED IN THIS ARTICLE, NO DIRECTOR, EMPLOYEE, OR MEMBER OF THE CORPORATION'S MEDICAL STAFF SHALL SERVE AS A MEMBER.

FORM 990 REVIEW PROCESS

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

THE FORM 990 IS PREPARED BY AN INDEPENDENT ACCOUNTING FIRM BASED ON THE AUDITED FINANCIAL STATEMENTS AND INFORMATION PROVIDED BY THE ACCOUNTING DEPARTMENT OF THE ORGANIZATION. THE MEDICAL CENTER'S FINANCE DEPARTMENT WORKS WITH A PUBLIC ACCOUNTING FIRM TO POPULATE AND COMPLETE THE FORM 990 AND ALL APPLICABLE SCHEDULES. AFTER THE ACCOUNTING FIRM REVIEWS THE FIRST DRAFT FOR ACCURACY AND COMPLETENESS, THE MEDICAL CENTER'S FINANCE DEPARTMENT REVIEWS FOR ACCURACY AND COMPLETENESS. THE RETURN IS THEN SENT BACK TO THE ACCOUNTING FIRM FOR FINAL COMPLETION AND REVIEW. THE MEDICAL CENTER'S BOARD OF DIRECTORS THEN REVIEWS THE COMPLETED RETURN. APPROVAL IS REQUIRED BY THE BOARD PRIOR TO FILING THE RETURN WITH THE INTERNAL REVENUE SERVICE.

CONFLICT OF INTEREST POLICY MONITORING

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

EACH YEAR THE BOARD CHAIR ASKS THE PRESIDENT TO SEND OUT AN ANNUAL DISCLOSURE AND ACKNOWLEDGEMENT FORM TO EACH BOARD MEMBER. THIS FORM REQUIRES INFORMATION FROM THE BOARD MEMBER RELATED TO ANY POSSIBLE

Name of the organization

PARKVIEW ADVENTIST MEDICAL CENTER

Employer identification number

01-0244035

CONFLICTS OF INTEREST IN ACCORDANCE WITH THE BY-LAWS OF THE CORPORATION. THE FORMS ARE REVIEWED BY THE EXECUTIVE COMMITTEE TO ENSURE COMPLIANCE, AND IF THERE ARE QUESTIONS OR CONFLICTS OF INTEREST THAT ARISE, A MEMBER OF THE EXECUTIVE COMMITTEE WILL INTERACT WITH THE BOARD MEMBER IN QUESTION, AND REPORT ANY FINDINGS TO THE BOARD FOR RESOLUTION. ANY DISCLOSURE OF POSSIBLE OR ACTUAL CONFLICTS OF INTEREST, BEFORE OR AFTER A TRANSACTION HAS OCCURRED, IS CONVEYED IN A REPORT TO THE FULL BOARD, BY THE EXECUTIVE COMMITTEE. AFTER REVIEW OF THE POSSIBLE CONFLICT, THE BOARD WOULD TAKE ACTIONS IT DEEMED APPROPRIATE IN ADDRESSING THE POSSIBLE OR ACTUAL CONFLICTS, WHICH COULD INCLUDE RESTRICTIONS, OR DISMISSAL FROM THEIR POSITION.

COMPENSATION REVIEW

FORM 990, PART VI, SECTION B, LINE 15B

THE BOARD OF DIRECTORS HAS A CEO COMPENSATION COMMITTEE THAT REVIEWS THE COMPENSATION OF ALL PARKVIEW EXECUTIVES AT THE VP LEVEL AND ABOVE. RECENT MARKET SALARY AND COMPENSATION INFORMATION FOR THE RESPECTIVE VP POSITION, WHICH COMES FROM THE STATE OF MAINE AND NEW ENGLAND STATES, IS PRESENTED BY THE PRESIDENT. THE COMMITTEE REVIEWS THE RECOMMENDATIONS OF THE PRESIDENT FOR EACH VP POSITION AND DETERMINES WHETHER THE RECOMMENDATION IS APPROPRIATE OR NOT APPROPRIATE. IF DEEMED NOT APPROPRIATE, THE PRESIDENT WILL AMEND THE RECOMMENDATION TO MEET WITH THE COMMITTEE'S APPROVAL. THIS PROCESS IS DOCUMENTED IN THE BOARD MINUTES.

DOCUMENT DISCLOSURE

FORM 990, PART VI, SECTION C, LINE 19

THE APPROVED AND FILED IRS FORM 990 IS AVAILABLE TO THE PUBLIC AS

Name of the organization

PARKVIEW ADVENTIST MEDICAL CENTER

Employer identification number

01-0244035

REQUESTED. THE MEDICAL CENTER'S ARTICLES OF INCORPORATION ARE FILED WITH THE STATE GOVERNMENT, ITS CONFLICT OF INTEREST POLICY IS MADE AVAILABLE IN THE ADMINISTRATIVE OFFICES ON REQUEST, AND ITS AUDITED FINANCIAL STATEMENTS ARE SUBMITTED TO THE MAINE HEALTH DATA ORGANIZATION, WHICH WILL MAKE PUBLIC THE INFORMATION IF REQUESTED BY INTERESTED PARTIES.

**SCHEDULE R
(Form 990)**

Department of the Treasury
Internal Revenue Service

Name of the organization

PARKVIEW ADVENTIST MEDICAL CENTER

▶ **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

Employer identification number

01-0244035

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) PARKVIEW AMC ENERGY LLC 329 MAINE ST BRUNSWICK, ME 04011 20-2649824	ELEC CO UTIL	ME	156,625.	9,960.	FAMC
(2) -----	-----	-----	-----	-----	-----
(3) -----	-----	-----	-----	-----	-----
(4) -----	-----	-----	-----	-----	-----
(5) -----	-----	-----	-----	-----	-----
(6) -----	-----	-----	-----	-----	-----

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) -----	-----	-----	-----	-----	-----	-----	-----
(2) -----	-----	-----	-----	-----	-----	-----	-----
(3) -----	-----	-----	-----	-----	-----	-----	-----
(4) -----	-----	-----	-----	-----	-----	-----	-----
(5) -----	-----	-----	-----	-----	-----	-----	-----
(6) -----	-----	-----	-----	-----	-----	-----	-----
(7) -----	-----	-----	-----	-----	-----	-----	-----

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

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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No
(1) PARKVIEW MGMT SERVICES ORGANIZATION 329 MAINE ST BRUNSWICK, ME 04011 20-1440050	BUS SUPPORT S	ME	PAMC	C CORP		268,363	100.0000		
(2) PARKVIEW PROFESSIONAL BUILDING 329 MAINE ST BRUNSWICK, ME 04011 01-0396459	REAL ESTATE M	ME	PAMC	C CORP	45,977	274,955	100.0000		
(3) PARKVIEW MEDICAL ARTS BUILDING 329 MAINE ST BRUNSWICK, ME 04011 01-0505078	REAL ESTATE M	ME	PAMC	C CORP		101,479	100.0000		
(4) _____									
(5) _____									
(6) _____									
(7) _____									

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

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

- 1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?
 - a Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity
 - b Gift, grant, or capital contribution to related organization(s)
 - c Gift, grant, or capital contribution from related organization(s)
 - d Loans or loan guarantees to or for related organization(s)
 - e Loans or loan guarantees by related organization(s)
 - f Dividends from related organization(s)
 - g Sale of assets to related organization(s)
 - h Purchase of assets from related organization(s)
 - i Exchange of assets with related organization(s)
 - j Lease of facilities, equipment, or other assets to related organization(s)
 - k Lease of facilities, equipment, or other assets from related organization(s)
 - l Performance of services or membership or fundraising solicitations for related organization(s)
 - m Performance of services or membership or fundraising solicitations by related organization(s)
 - n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)
 - o Sharing of paid employees with related organization(s)
 - p Reimbursement paid to related organization(s) for expenses
 - q Reimbursement paid by related organization(s) for expenses
 - r Other transfer of cash or property to related organization(s)
 - s Other transfer of cash or property from related organization(s)

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)	PARKVIEW PROFESSIONAL BUILDING	D	34,735.	FMV
(2)	PARKVIEW PROFESSIONAL BUILDING	E	45,972.	FMV
(3)				
(4)				
(5)				
(6)				

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

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

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under section 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	
(1) -----													
(2) -----													
(3) -----													
(4) -----													
(5) -----													
(6) -----													
(7) -----													
(8) -----													
(9) -----													
(10) -----													
(11) -----													
(12) -----													
(13) -----													
(14) -----													
(15) -----													
(16) -----													

Part VII Supplemental Information

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

Parkview Adventist Medical Center and Subsidiaries

Independent Auditor's Report and Financial Statements

December 31, 2012 and 2011

Parkview Adventist Medical Center and Subsidiaries

December 31, 2012 and 2011

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Independent Auditor's Report

Board of Directors
Parkview Adventist Medical Center and Subsidiaries
Brunswick, Maine

We have audited the accompanying consolidated financial statements of Parkview Adventist Medical Center and Subsidiaries (the "Medical Center"), which comprise the consolidated balance sheets as of December 31, 2012 and 2011, and the related consolidated statements of operations, changes in net assets and cash flows for the years then ended, and the related notes to the 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 accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 Parkview Adventist Medical Center and Subsidiaries as of December 31, 2012 and 2011, and the results of its operations, the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in *Note 18* to the financial statements, in 2012, the Medical Center adopted new accounting guidance that changed its method of presentation and disclosure of patient service revenue, provision for uncollectible accounts and the allowance for doubtful accounts in accordance with Accounting Standards Update 2011-07. Our opinion is not modified with respect to this matter.

The accompanying financial statements have been prepared assuming the Medical Center will continue as a going concern. As discussed in *Note 19*, the Medical Center has suffered recurring losses from operations and has a net asset deficiency, which raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in *Note 19*. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Supplementary Information

Our audits were performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the consolidated financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

BKD, LLP

Springfield, Missouri
April 30, 2013

Parkview Adventist Medical Center and Subsidiaries
Consolidated Balance Sheets
December 31, 2012 and 2011

Assets

	2012	2011
Current Assets		
Cash and cash equivalents	\$ 759,222	\$ 988,507
Assets limited as to use - current	121,534	121,962
Patient accounts receivable, net of allowance; 2012 - \$4,850,000; 2011 - \$4,300,000	3,071,647	3,093,662
Estimated amounts due from third-party payers - current	3,814,684	1,658,378
Supplies	957,622	862,243
Prepaid expenses and other	497,230	1,465,387
Total current assets	9,221,939	8,190,139
Assets Limited As To Use		
Internally designated	252,082	250,726
Externally restricted by donors	64,900	69,845
Held by trustee under bond indenture agreements	375,039	375,467
Less amounts required to meet current obligations	692,021	696,038
	121,534	121,962
	570,487	574,076
Property and Equipment, Net	9,607,654	8,648,435
Other Assets		
Estimated amounts due from third-party payers	690,000	1,660,000
Other	609,183	132,750
	1,299,183	1,792,750
Total assets	\$ 20,699,263	\$ 19,205,400

Liabilities and Net Deficit

	<u>2012</u>	<u>2011</u>
Current Liabilities		
Line of credit	\$ -	\$ 275,418
Current maturities of long-term debt	5,398,467	5,663,678
Accounts payable	6,951,366	4,624,734
Accrued expenses	1,414,502	1,297,703
Estimated amounts due to third-party payers	5,910,091	5,331,454
	<u>19,674,426</u>	<u>17,192,987</u>
Estimated Insurance Costs	593,000	-
Long-Term Debt	<u>1,952,684</u>	<u>2,032,916</u>
Total liabilities	<u>22,220,110</u>	<u>19,225,903</u>
Net Assets (Deficit)		
Unrestricted	(1,585,747)	(90,348)
Temporarily restricted	64,900	69,845
	<u>(1,520,847)</u>	<u>(20,503)</u>
Total liabilities and net deficit	<u>\$ 20,699,263</u>	<u>\$ 19,205,400</u>

Parkview Adventist Medical Center and Subsidiaries
Consolidated Statements of Operations
Years Ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u> <u>(Adjusted -</u> <u>Note 18)</u>
Unrestricted Revenues, Gains and Other Support		
Net patient service revenue (net of contractual discounts and allowances)	\$ 32,850,914	\$ 34,383,898
Provision for uncollectible accounts	<u>(3,071,285)</u>	<u>(3,574,941)</u>
Net patient service revenue less provision for uncollectible accounts	29,779,629	30,808,957
Other revenue	1,651,192	2,585,884
Net assets released from restrictions used for operations	<u>7,063</u>	<u>1,484</u>
Total unrestricted revenues, gains and other support	<u>31,437,884</u>	<u>33,396,325</u>
Expenses and Losses		
Salaries, wages and employee benefits	13,667,744	14,094,886
Supplies and other	17,543,631	16,699,049
Depreciation and amortization	1,469,099	1,544,291
Interest	<u>268,036</u>	<u>282,439</u>
Total expenses and losses	<u>32,948,510</u>	<u>32,620,665</u>
Operating Income (Loss)	<u>(1,510,626)</u>	<u>775,660</u>
Other Income (Expense)		
Contributions received	11,151	25,457
Other	<u>-</u>	<u>742,955</u>
Total other income	<u>11,151</u>	<u>768,412</u>
Excess (Deficiency) of Revenues Over Expenses	<u>(1,499,475)</u>	<u>1,544,072</u>
Net assets released from restriction used for purchase of property and equipment	<u>4,076</u>	<u>-</u>
Increase (Decrease) in Unrestricted Net Deficit	<u>\$ (1,495,399)</u>	<u>\$ 1,544,072</u>

Parkview Adventist Medical Center and Subsidiaries
Consolidated Statements of Changes in Net Assets
Years Ended December 31, 2012 and 2011

	2012	2011
Unrestricted Net Assets (Deficit)		
Excess (deficiency) of revenues over expenses	\$ (1,499,475)	\$ 1,544,072
Net assets released from restriction used for purchase of property and equipment	<u>4,076</u>	<u>-</u>
Increase (decrease) in unrestricted net assets (deficit)	<u>(1,495,399)</u>	<u>1,544,072</u>
Temporarily Restricted Net Assets		
Contributions received	6,194	23,383
Net assets released from restrictions	<u>(11,139)</u>	<u>(1,484)</u>
Increase (decrease) in temporarily restricted net assets	<u>(4,945)</u>	<u>21,899</u>
Change in Net Deficit	(1,500,344)	1,565,971
Net Deficit, Beginning of Year	<u>(20,503)</u>	<u>(1,586,474)</u>
Net Deficit, End of Year	<u><u>\$ (1,520,847)</u></u>	<u><u>\$ (20,503)</u></u>

Parkview Adventist Medical Center and Subsidiaries
Consolidated Statements of Cash Flows
Years Ended December 31, 2012 and 2011

	2012	2011
Operating Activities		
Change in net deficit	\$ (1,500,344)	\$ 1,565,971
Items not requiring (providing) operating cash flow		
Depreciation and amortization	1,469,099	1,544,291
Loss on sale of property and equipment	-	5,729
Restricted contributions received	(6,194)	(23,383)
Accrued self-insurance costs	(37,437)	110,000
Changes in		
Receivables	22,015	769,210
Estimated third-party settlements	(607,669)	5,360,481
Accounts payable and accrued expenses	2,598,395	(3,668,481)
Other current assets and liabilities	986,403	(1,065,293)
Net cash provided by operating activities	2,924,268	4,598,525
Investing Activities		
Change in assets limited as to use, net	4,017	(23,270)
Purchase of property and equipment	(1,953,886)	(2,145,041)
Net cash used in investing activities	(1,949,869)	(2,168,311)
Financing Activities		
Proceeds from restricted contributions	6,194	23,383
Proceeds for contributions for acquisition of property and equipment	4,076	-
Line of credit, net	(275,418)	53,670
Principal payments on long-term debt	(938,536)	(1,980,698)
Net cash used in financing activities	(1,203,684)	(1,903,645)
Increase (Decrease) in Cash and Cash Equivalents	(229,285)	526,569
Cash and Cash Equivalents, Beginning of Year	988,507	461,938
Cash and Cash Equivalents, End of Year	\$ 759,222	\$ 988,507
Supplemental Cash Flows Information		
Interest paid	\$ 270,961	\$ 289,968
Capital lease obligation incurred for property and equipment	\$ 606,212	\$ 468,740
Purchase of property and equipment in accounts payable	\$ 204,045	\$ 351,572

Parkview Adventist Medical Center and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2012 and 2011

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

Nature of Operations

Parkview Adventist Medical Center and Subsidiaries is a not-for-profit corporation that primarily earns revenues by providing inpatient, outpatient and emergency care services to patients in Brunswick, Maine, and the surrounding central Maine area. Parkview Adventist Medical Center is the parent company of Parkview Management Services Organization (MSO), the Professional Practice Building (PPB) and the Medical Arts Building (MAB).

MSO is a for-profit entity that provides physician billing services to Parkview Adventist Medical Center.

PPB and MAB are for-profit entities holding condominium units owned by Parkview Medical Center.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Parkview Adventist Medical Center, MSO, PPB and MAB (collectively, the Medical Center). All significant intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

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

Cash and Cash Equivalents

The Medical Center considers all liquid investments with original maturities of three months or less to be cash equivalents. At December 31, 2012 and 2011, cash equivalents consisted primarily of money market accounts with brokers and certificates of deposit.

At December 31, 2012, the Medical Center's cash accounts did not exceed federally insured limits.

Pursuant to legislation enacted in 2010, the FDIC fully insured all noninterest-bearing transaction accounts beginning December 31, 2010, through December 31, 2012, at all FDIC-insured institutions. This legislation expired on December 31, 2012. Beginning January 1, 2013, noninterest-bearing transaction accounts are subject to the \$250,000 limit on FDIC insurance per covered institution. At December 31, 2012, the Medical Center had approximately \$1,316,000 in noninterest-bearing transaction accounts at one financial institution.

Parkview Adventist Medical Center and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2012 and 2011

Investments and Investment Return

Investments consist of bank certificates of deposit and money market accounts, which are stated at amortized cost and fair value. Investment income is comprised of interest income.

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

Assets Limited As To Use

Assets limited as to use include (1) assets held by trustees, (2) assets restricted by donors and (3) assets set aside by the Board of Directors over which the Board retains control and may at its discretion subsequently use for other purposes. Amounts required to meet current liabilities of the Medical Center are included in current assets.

Patient Accounts Receivable

Accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectability of accounts receivable, the Medical Center analyzes its past history and identifies trends for each of its major payer sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for uncollectible accounts. Management regularly reviews data about these major payer sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts.

For receivables associated with services provided to patients who have third-party coverage, the Medical Center analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for uncollectible accounts, if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payer has not yet paid, or for payers who are known to be having financial difficulties that make the realization of amounts due unlikely).

For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Medical Center records a significant provision for uncollectible accounts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated or provided by policy) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

The Medical Center's allowance for doubtful accounts for self-pay patients increased from 94% of self-pay accounts receivable at December 31, 2011, to 96% of self-pay accounts receivable at December 31, 2012. In addition, the Medical Center's write-offs decreased approximately

Parkview Adventist Medical Center and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2012 and 2011

\$807,000 from approximately \$1,745,000 for the year ended December 31, 2011, to approximately \$938,000 for the year ended December 31, 2012. The increase in the allowance for doubtful accounts for self-pay patients was the result of negative trends experienced in the collection of amounts from self-pay patients in fiscal year 2012.

Supplies

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

Property and Equipment

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

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

Long-Lived Asset Impairment

The Medical Center evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value. No asset impairment was recognized during the years ended December 31, 2012 and 2011.

Deferred Financing Costs

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

Temporarily Restricted Net Assets

Temporarily restricted net assets are those whose use by the Medical Center has been limited by donors to a specific time period or purpose.

Parkview Adventist Medical Center and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2012 and 2011

Net Patient Service Revenue

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

Charity Care

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

Contributions

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

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

Professional Liability Claims

The Medical Center recognizes an accrual for claim liabilities based on estimated ultimate losses and costs associated with settling claims (*Note 6*) and a receivable to reflect the estimated insurance recoveries, if any. The related receivables from the Medical Center's insurance providers have been included within other assets in the accompanying consolidated financial statements.

Parkview Adventist Medical Center and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2012 and 2011

Income Taxes

Parkview Adventist Medical Center is classified as a tax-exempt organization as described in Section 501 of the Internal Revenue Code and a similar provision of state law. However, this entity is subject to federal income tax on any unrelated business taxable income.

MSO, PPB and MAB are for-profit entities and subject to federal and state income tax.

The Medical Center and its consolidated entities file tax returns in the U.S. federal jurisdiction. With a few exceptions, these entities are no longer subject to U.S. federal examinations by tax authorities for years before 2009.

Excess (Deficiency) of Revenues Over Expenses

The statements of operations include excess (deficiency) of revenues over expenses. Changes in unrestricted net assets which are excluded from excess (deficiency) of revenues over expenses, consistent with industry practice, include contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purpose of acquiring such assets).

Self-Insurance

The Medical Center has elected to self-insure certain costs related to employee health benefit and workers' compensation programs. Costs resulting from noninsured losses are charged to income when incurred. The Medical Center has purchased insurance that limits its exposure for individual health insurance claims and that limits its aggregate exposure to \$95,000.

Electronic Health Records Incentive Program

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

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

Parkview Adventist Medical Center and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2012 and 2011

In 2011, the Medical Center completed the first-year requirements under both the Medicare and Medicaid programs and in 2012 completed the second year requirements. In 2012 and 2011, the Medical Center has recorded revenue of \$809,122 and \$1,743,581, respectively, which is included in other revenue within operating revenues in the consolidated statement of operations.

Reclassifications

Certain reclassifications have been made to the 2011 financial statements to conform to the 2012 financial statement presentation. These reclassifications had no effect on the change in net assets.

Subsequent Events

Subsequent events have been evaluated through the date of the Independent Auditor's Report, which is the date the financial statements were available to be issued.

Note 2: Net Patient Service Revenue

The Medical Center recognizes patient service revenue associated with services provided to patients who have third-party payer coverage on the basis of contractual rates for the services rendered. For uninsured patients that do not qualify for charity care, the Medical Center recognizes revenue on the basis of its standard rates for services provided. On the basis of historical experience, a significant portion of the Medical Center's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Medical Center records a significant provision for uncollectible accounts related to uninsured patients in the period the services are provided. This provision for uncollectible accounts is presented on the statement of operations as a component of net patient service revenue.

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

Medicare. Inpatient acute care services and substantially all outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors. Inpatient skilled nursing services are paid at prospectively determined per diem rates that are based on the patients' acuity.

Medicaid. Inpatient and outpatient services rendered to Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology for certain services and at prospectively determined rates for all other services. The Medical Center is reimbursed for cost reimbursable services at tentative rates with final settlement determined after submission of annual cost reports by the Medical Center and audits thereof by the Medicaid administrative contractor.

The Medical Center's Medicaid cost reports have been audited by the Medicaid administrative contractor through December 31, 2007. At December 31, 2012 and 2011, the Medical Center has cost report receivables of approximately \$3,400,000 and \$2,400,000, respectively, from the

Parkview Adventist Medical Center and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2012 and 2011

State of Maine (the "State") for fiscal years 2008 through 2012. The Medical Center received \$0 and \$3,400,000 during fiscal years 2012 and 2011, respectively, for tentative settlements of filed cost reports. Management expects to collect these receivables in full, however, the timing of collection from the State is uncertain and is subject to the risk that the State may make changes to its existing laws or regulations due to budgetary needs.

On March 1, 2013, certain provisions of the Federal Government's *Budget Control Act of 2011* went into effect. Among these are mandatory payment reductions under the Medicare Fee – for-Service program, known as sequestration. Under these provisions, Medicare reimbursement was reduced by two percent on all claims with dates-of-service or dates-of-discharge on or after April 1, 2013. The continuation of these payment cuts for an extended period of time will have an adverse effect on operating results of the Medical Center.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation and change. As a result, it is reasonably possible that recorded estimates will change materially in the near term.

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

Patient service revenue, net of contractual allowances and discounts (but before the provision for uncollectible accounts), recognized in the years ended December 31, 2012 and 2011, was approximately:

	2012	2011
Medicare	\$ 11,595,161	\$ 11,131,982
Medicaid	3,636,162	7,233,760
Other third-party payers	15,558,642	13,484,448
Patients	2,060,949	2,533,708
	\$ 32,850,914	\$ 34,383,898

During the year ended December 31, 2012, the Department of Health and Human Services reached a \$700 million dollar settlement to compensate approximately 500 hospitals for past underpayments related to an error in Medicare's rural floor budget neutrality adjustment for fiscal years 1999 through 2011. The Centers for Medicare and Medicaid Services has agreed to settle related lawsuits involving approximately 2,000 hospitals due to the fact that they incorrectly applied an adjustment from 1999 to 2006 in a way that was not budget neutral and progressively reduced Medicare payments for inpatient hospital services over time. During the year ended December 31, 2012, the Medical Center received approximately \$250,375 for their portion of the settlement, which is recorded in net patient service revenue in the accompanying consolidated financial statements.

Parkview Adventist Medical Center and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2012 and 2011

Note 3: Concentration of Credit Risk

The Medical Center grants credit without collateral to its patients, most of whom are area residents and are insured under third-party payer agreements. The mix of net receivables from patients and third-party payers at December 31, 2012 and 2011, is:

	2012	2011
Medicare	26%	24%
Medicaid	15%	16%
Other third-party payers	54%	55%
Patients	5%	5%
	100%	100%
	100%	100%

Note 4: Investments and Investment Return

Assets Limited as to Use

Assets limited as to use at December 31 include:

	2012	2011
Internally designated		
Cash and cash equivalents	\$ 252,082	\$ 250,726
Externally restricted by donors		
Cash and cash equivalents	\$ 64,900	\$ 69,845
Held by trustee under indenture agreements		
Cash and cash equivalents	\$ 375,039	\$ 375,467

Total investment return is reflected in the statements of operations as other operating revenue and was \$13,423 and \$20,999 in 2012 and 2011, respectively.

Parkview Adventist Medical Center and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2012 and 2011

Note 5: Property, Plant and Equipment

Property, plant and equipment consists of the following at December 31:

	2012	2011
Land and land improvements	\$ 1,354,729	\$ 1,346,029
Buildings and improvements	11,385,889	11,258,747
Major moveable equipment, fixed equipment and vehicles	15,805,407	14,741,396
	<u>28,546,025</u>	<u>27,346,172</u>
Less accumulated depreciation	20,989,786	19,969,898
	<u>7,556,239</u>	<u>7,376,274</u>
Construction in progress	2,051,415	1,272,161
	<u>\$ 9,607,654</u>	<u>\$ 8,648,435</u>

At December 31, 2012, construction in progress primarily consists of various renovation projects for multiple patient care departments and a new heating, ventilation and air conditioning system for the Medical Center. These projects are expected to be completed in 2013 with an estimated completion cost of approximately \$2,400,000. The Medical Center expects to fund these projects from operations.

Note 6: Professional Liability Claims

The Medical Center purchases medical malpractice insurance under a claims-made policy on a fixed premium basis. Accounting principles generally accepted in the United States of America require a health care provider to accrue the expense of malpractice claim costs, if any, for any reported and unreported incidents of potential improper professional service occurring during the year by estimating the probable ultimate costs of the incidents.

Based upon the Medical Center's claims experience, an accrual had been made for the Medical Center's estimated medical malpractice costs, including costs associated with litigating or settling claims, under its malpractice insurance policy, amounting to approximately \$593,000 and \$0 as of December 31, 2012 and 2011, respectively. It is reasonably possible that this estimate could change materially in the near term.

Parkview Adventist Medical Center and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2012 and 2011

Note 7: Employee Health Claims and Workers' Compensation

Substantially all of the Medical Center's employees and their dependents are eligible to participate in the Medical Center's employee health insurance plan. The Medical Center is self-insured for health claims of participating employees and dependents up to an annual aggregate amount.

Commercial stop-loss insurance coverage is purchased for claims in excess of the aggregate annual amount. A provision is accrued for self-insured employee health claims including both claims reported and claims incurred but not yet reported. The accrual is estimated based on consideration of prior claims experience, recently settled claims, frequency of claims and other economic and social factors. It is reasonably possible that the Medical Center's estimate of losses will change by a material amount in the near term.

Activity in the Medical Center's accrued health insurance claims liability, included in accrued expenses on the balance sheet, during 2012 and 2011 is summarized as follows:

	2012	2011
Balance, beginning of year	\$ 123,160	\$ 233,160
Current year claims incurred and change in estimates for claims incurred in prior years	1,140,962	1,253,732
Claims and expenses paid	(1,103,525)	(1,363,732)
Balance, end of year	\$ 160,597	\$ 123,160

The Medical Center participates with several other hospitals in a group workers' compensation plan which is self-insured. Current funding levels are expected to be adequate to meet future claims. The fund is regulated by the Maine Bureau of Insurance. Excess insurance has been purchased to mitigate exposure to aggregate claims over specified levels.

Note 8: Line of Credit

At December 31, 2011, the Medical Center had a \$1,000,000 revolving line of credit that expired in 2012. At December 31, 2011, there was \$275,418 borrowed against this line. The line is collateralized by substantially all of the Medical Center's assets. The interest rate was 5.75% at December 31, 2011 and was payable monthly.

Parkview Adventist Medical Center and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2012 and 2011

Note 9: Long-Term Debt

	<u>2012</u>	<u>2011</u>
Note payable (A)	\$ 4,728,324	\$ 5,230,258
Revenue bonds (B)	1,315,000	1,510,000
Capital lease obligations (C)	<u>1,235,677</u>	<u>871,067</u>
	7,279,001	7,611,325
Add premium on bonds	72,150	85,269
Less current maturities	<u>5,398,467</u>	<u>5,663,678</u>
	<u>\$ 1,952,684</u>	<u>\$ 2,032,916</u>

- (A) Variable rate demand note payable to Central Maine Healthcare Corporation (CMHC) with interest due in monthly installments through April 25, 2013, at LIBOR plus 1.25%. The interest rate was 2.75% at December 31, 2012. Principal is due in monthly installments through April 25, 2013, at which point the entire outstanding principal balance, together with any accrued and unpaid interest is due and payable in full. This note is collateralized by substantially all of the Medical Center's assets. Subsequent to December 31, 2012, the Medical Center began working with CMHC to refinance the debt with revised terms and an extended due date.
- (B) Maine Health and Higher Education Facilities Authority Fixed Rate Revenue Bonds, Series 2010B, interest rates varying from 2.5% to 5.0%. The bonds are collateralized by the Medical Center's pledge of gross revenues and property and are payable in annual installments through July 1, 2018. The proceeds from issuance of these bonds were used to repay the Series 1998B bonds in 2010.

The indenture agreement requires that certain funds be established with the trustee. Accordingly, these funds are included as assets limited as to use held by trustee in the financial statements. The indenture agreement also requires the Medical Center to comply with certain restrictive covenants including minimum insurance coverage, maintaining a debt-service-coverage ratio of at least 1.00 to 1.20 and has restrictions on incurrence of additional debt. For the year ended December 31, 2012, the Medical Center was not in compliance with the required covenants. Under the indenture, the Medical Center is required to obtain a consultant's report with recommendations to improve operations.

- (C) At varying rates of imputed interest from 2.8% to 11.02%, due through July 2016, collateralized by property and equipment. At December 31, 2012 and 2011, the net book value of equipment under capital lease was \$1,147,215 and \$842,275, net of accumulated depreciation of \$683,720 and \$382,088, respectively.

Parkview Adventist Medical Center and Subsidiaries
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Aggregate annual maturities and sinking fund requirements of long-term debt and payments on capital lease obligations at December 31, 2012, are:

	Long-Term Debt (Excluding Capital Leases)	Capital Lease Obligations
2013	\$ 4,928,324	\$ 513,058
2014	205,000	491,752
2015	215,000	279,849
2016	225,000	23,995
2017	230,000	-
2018	240,000	-
	<u>\$ 6,043,324</u>	<u>1,308,654</u>
Less amount representing interest		72,977
Present value of future minimum lease payments		1,235,677
Less current maturities		470,143
Noncurrent portion		\$ 765,534

Note 10: Temporarily Restricted Net Assets

Temporarily restricted net assets are available for health care services in the amount of \$64,900 and \$69,845 at December 31, 2012 and 2011, respectively.

During 2012 and 2011, net assets were released from donor restrictions by incurring expenses, satisfying the restricted purposes in the amounts of \$7,063 and \$1,484, respectively. During 2012 and 2011, respectively, net assets of \$4,076 and \$0 were released to purchase equipment.

Note 11: Charity Care

The costs of charity care provided under the Medical Center's charity care policy were approximately \$396,000 and \$422,000 for 2012 and 2011, respectively. The cost of charity care is estimated by applying the ratio of cost to charges to the gross uncompensated care charges.

Parkview Adventist Medical Center and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2012 and 2011

Note 12: Functional Expenses

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

	2012	2011
Health care services	\$ 23,197,356	\$ 22,361,146
General and administrative	9,751,154	10,259,519
	\$ 32,948,510	\$ 32,620,665

Note 13: Operating Leases

Noncancellable operating leases for the Medical Center equipment expire in various years through 2015. These leases generally contain options to purchase at fair market values at the end of the lease term. Rental expense under operating lease agreements for various buildings and equipment totaled approximately \$794,000 and \$570,000 for the years ended December 31, 2012 and 2011, respectively.

Future minimum lease payments at December 31, 2012 were:

2013	\$ 270,780
2014	198,390
2015	94,500
	\$ 563,670

Note 14: Retirement Plans

Defined Contribution Plan

The Medical Center has a defined contribution pension plan covering substantially all employees. For 2011, the Medical Center contributes discretionary matching contributions up to specified percentages, 25% to 50% based on the participants' total years of service. During 2012, the Medical Center did not make a discretionary contribution. Pension expense was approximately \$0 and \$239,000 for 2012 and 2011, respectively.

Parkview Adventist Medical Center and Subsidiaries
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Noncontributory Defined Benefit Plan

The Medical Center participates in a multiemployer, noncontributory defined benefit plan (the "Plan") administered by the General Conference of Seventh-Day Adventists which is exempt from the Employee Retirement Income Security Act of 1974. The Plan provides retirement and post-retirement health benefits. The Plan was amended effective January 1, 1992, to freeze the years of service credits as of December 31, 1991, and to eliminate several benefits from the Plan. As a result of these amendments, no future plan entrants are permitted. Certain Medical Center employees have vested benefits in the Plan.

Contributions to the Plan are determined by the plan administrators annually and have generally approximated funding levels recommended by consulting actuaries. There were no contributions for 2012 or 2011.

The Medical Center, along with the other sponsors of the Plan, intend to continue to make future voluntary contributions to the Plan. Future funding amounts and the funding time period have not been determined by the plan administrators. Accordingly, the impact on future consolidated financial statements of the Medical Center has not been determined.

Note 15: Related Party Transactions

The Medical Center has entered into an administrative support and services agreement with Central Maine Healthcare Corporation (CMHC). Under this agreement, CMHC and its affiliates provide physician coverage, management services, billing and other various services to the Medical Center routinely throughout the year, under the terms of the agreement. The majority of the Medical Center's employed physicians are employees of a CMHC affiliate and CMHC rents physician office space from the Medical Center.

The Medical Center has also entered into a \$5,600,000 variable rate demand note payable with CMHC. The note accrues interest at the 30-day LIBOR plus 1.25% and is due April 25, 2013, and is secured by substantially all of the Medical Center's assets. The Medical Center and CMHC are in the process of negotiating new terms and the maturity of this note. See *Note 9*.

In 2012, the Medical Center entered into two capital lease agreements with CMHC for medical equipment. The leases have imputed interest rates of 2.80% and are due through December 2015. The total outstanding liability owed to CMHC for these capital lease obligations is \$606,212 at December 31, 2012. The Medical Center was not leasing any equipment from CMHC at December 31, 2011.

Parkview Adventist Medical Center and Subsidiaries
Notes to Consolidated Financial Statements
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The results of these transactions are recorded in the following financial statement line items at December 31:

	2012	2011
Prepaid expenses and other	\$ 202,000	\$ 192,000
Current maturities of long-term debt	\$ 4,728,324	\$ 5,230,258
Accounts payable	\$ 4,255,000	\$ 2,157,000
Other operating revenue	\$ 490,000	\$ 550,000
Supplies and other expense	\$ 3,845,000	\$ 4,025,000
Interest expense	\$ 142,000	\$ 142,000
Capital lease obligations	\$ 606,212	\$ -

Note 16: Asset Retirement Obligations

Accounting principles generally accepted in the United States of America require that an asset retirement obligation (ARO) associated with the retirement of a tangible long-lived asset be recognized as a liability in the period in which it is incurred or becomes determinable (as defined by the standard) even when the timing and/or method of settlement may be conditional on a future event. The Medical Center's conditional asset retirement obligations primarily relate to asbestos contained in buildings that the Medical Center owns. Environmental regulations exist in Maine that require the Medical Center to handle and dispose of asbestos in a special manner if a building undergoes major renovations or is demolished. At December 31, 2012 and 2011, the Medical Center has not recognized a liability in the accompanying financial statements because the range of time over which the Medical Center may settle these liabilities is unknown and cannot be reasonably estimated. The Medical Center will recognize a liability when sufficient information is available to reasonably estimate fair value.

Note 17: Significant Estimates and Concentrations

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

Parkview Adventist Medical Center and Subsidiaries
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December 31, 2012 and 2011

Allowance for Net Patient Service Revenue Adjustments

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

Medical Malpractice Claims

Estimates related to the accrual for medical malpractice claims are described in *Notes 1* and *6*.

Self-Insured Employee Health Claims and Workers' Compensation

Estimates related to the accrual for self-insured health insurance and workers' compensation claims are described in *Notes 1* and *7*.

Asset Retirement Obligation

As discussed in *Note 16*, the Medical Center has asset retirement obligations related to asbestos.

Litigation

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

In January 2012, the Medical Center settled litigation in which it had been engaged in the Maine Superior Court. Pursuant to this settlement, the Medical Center received net settlement proceeds of approximately \$800,000. This is recorded in other current assets and other nonoperating income in the accompanying consolidated financial statements for the year ended December 31, 2011. This settlement resolved all pending claims in the case, and the litigation was formally dismissed with prejudice on February 10, 2012.

Current Economic Conditions

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

Current economic conditions, including the rising unemployment rate, have made it difficult for certain patients to pay for services rendered. As employers make adjustments to health insurance plans or more patients become unemployed, services provided to self-pay and other payers may

Parkview Adventist Medical Center and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2012 and 2011

significantly impact net patient service revenue, which could have an adverse impact on the Medical Center's future operating results. Further, the effect of economic conditions on the state may have an adverse effect on cash flows related to the MaineCare program.

Given the volatility of current economic conditions, the values of assets and liabilities recorded in the financial statements could change rapidly, resulting in material future adjustments in investment values and allowances for accounts receivable that could negatively impact the Medical Center's ability to meet debt covenants or maintain sufficient liquidity.

Note 18: Change in Accounting Principle

In 2012, the Medical Center changed its method of presentation and disclosure of patient service revenue, provision for bad debts and the allowance for doubtful accounts in accordance with Accounting Standards Update (ASU) 2011-07, *Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts and the Allowance for Doubtful Accounts for Certain Health Care Entities*. The major changes associated with ASU 2011-07 are to reclassify the provision for uncollectible accounts related to patient service revenue to a deduction from patient service revenue and to provide enhanced disclosures around the Medical Center's policies related to uncollectible accounts. The change had no effect on prior year change in net assets.

The following financial statement line items for fiscal 2012 were affected by the change:

	As Adjusted	As Previously Reported	Effect of Change
Total unrestricted revenues, gains and other support	\$ 33,396,325	\$ 36,971,266	\$ (3,574,941)
Total expenses and losses	\$ 32,620,665	\$ 36,195,606	\$ (3,574,941)

Note 19: Management's Consideration of Going Concern Matters

The Medical Center has incurred losses for several years and currently has a deficiency of working capital and recurring negative cash flows. The financial statements have been prepared assuming the Medical Center will continue as a going concern, realizing assets and liquidating liabilities in the ordinary course of business. Although not currently planned, realization of assets in other than the ordinary course of business in order to meet liquidity needs could incur losses not reflected in these financial statements.

Parkview Adventist Medical Center and Subsidiaries

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Management is considering several alternatives for mitigating these conditions during the next year. As discussed below, management believes the combination of initiatives that have been instituted will provide the required cash flow and reduction of operating losses to sustain future operations.

In 2013, management plans to sell a medical arts building valued at \$4,000,000 to CMHC. The cash flow from this transaction will be used to assist with paying down accounts payable and third-party settlement amounts. Management also intends to refinance the note payable owed to CMHC, which will assist with cash flows as well. Management continues to monitor operational expenses as well as looking for performance improvements in all aspects of operations.

The Medical Center expects to receive approximately \$680,000 in EHR payments from the Medicare program in 2013 (see *Note 1*).

Note 20: Patient Protection and Affordable Care Act

The Patient Protection and Affordable Care Act (PPACA) will substantially reform the United States health care system. The legislation impacts multiple aspects of the health care system, including many provisions that change payments from Medicare, Medicaid and insurance companies. Starting in 2014, the legislation requires the establishment of health insurance exchanges, which will provide individuals without employer provided health care coverage the opportunity to purchase insurance. It is anticipated that some employers currently offering insurance to employees will opt to have employees seek insurance coverage through the insurance exchanges. It is possible that the reimbursement rates paid by insurers participating in the insurance exchanges may be substantially different than rates paid under current health insurance products. Another significant component of the PPACA is the expansion of the Medicaid program to a wide range of newly eligible individuals. In anticipation of this expansion, payments under certain existing programs, such as Medicare disproportionate share, will be substantially decreased. Each state's participation in an expanded Medicaid program is optional, and the state of Maine has not determined whether or not it will expand the Medicaid program.

The PPACA is extremely complex and may be difficult for the federal government and each state to implement. While the overall impact of the PPACA cannot currently be estimated, it is possible that it will have a negative impact on the Medical Center's net patient service revenue. Additionally, it is possible the Medical Center will experience payment delays and other operational changes during PPACA's implementation.

Supplementary Information

Parkview Adventist Medical Center and Subsidiaries

Consolidating Schedule – Balance Sheet Information

December 31, 2012

Assets

	Parkview Adventist Medical Center	Parkview Management Services	Parkview Medical Arts Building	Parkview Professional Practice Building	Eliminations	Total
Current Assets						
Cash and cash equivalents	\$ 741,937	-	\$ 13,331	\$ 3,954	\$ -	\$ 759,222
Assets limited as to use - current	121,534	-	-	-	-	121,534
Patient accounts receivable, net of allowance	3,071,647	-	-	-	-	3,071,647
Estimated amounts due from third-party payers - current	3,814,684	-	-	-	-	3,814,684
Due from affiliates	731,823	268,363	88,148	207,149	(1,295,483)	-
Supplies	957,622	-	-	-	-	957,622
Prepaid expenses and other	497,230	-	-	-	-	497,230
Total current assets	<u>9,936,477</u>	<u>268,363</u>	<u>101,479</u>	<u>211,103</u>	<u>(1,295,483)</u>	<u>9,221,939</u>
Assets Limited As to Use						
Internally designated	252,082	-	-	-	-	252,082
Externally restricted by donors	64,900	-	-	-	-	64,900
Held by trustee under bond indenture agreements	375,039	-	-	-	-	375,039
Less amount required to meet current obligations	692,021	-	-	-	-	692,021
	121,534	-	-	-	-	121,534
	570,487	-	-	-	-	570,487
Property and Equipment, Net	<u>9,543,802</u>	<u>-</u>	<u>-</u>	<u>63,852</u>	<u>-</u>	<u>9,607,654</u>
Other Assets						
Estimated amounts due from third-party payers	690,000	-	-	-	-	690,000
Other	609,183	-	-	-	-	609,183
	1,299,183	-	-	-	-	1,299,183
Total assets	<u>\$ 21,349,949</u>	<u>\$ 268,363</u>	<u>\$ 101,479</u>	<u>\$ 274,955</u>	<u>\$ (1,295,483)</u>	<u>\$ 20,699,263</u>

Parkview Adventist Medical Center and Subsidiaries

Consolidating Schedule – Balance Sheet Information

December 31, 2012

Liabilities and Net Assets

	Parkview Adventist Medical Center	Parkview Management Services	Parkview Medical Arts Building	Parkview Professional Practice Building	Eliminations	Total
Current Liabilities						
Current maturities of long-term debt	\$ 5,398,467	-	\$ -	-	\$ -	\$ 5,398,467
Accounts payable	6,951,127	-	-	239	-	6,951,366
Accrued expenses	1,414,502	-	-	-	-	1,414,502
Due to affiliates	563,660	526,408	-	205,415	(1,295,483)	-
Estimated amounts due to third-party payers	5,910,091	-	-	-	-	5,910,091
Total current liabilities	20,237,847	526,408	-	205,654	(1,295,483)	19,674,426
Estimated Insurance Costs	593,000	-	-	-	-	593,000
Long-Term Debt	1,952,684	-	-	-	-	1,952,684
Total liabilities	22,783,531	526,408	-	205,654	(1,295,483)	22,220,110
Net Assets (Deficit)						
Unrestricted	(1,498,482)	(258,045)	101,479	69,301	-	(1,585,747)
Temporarily restricted	64,900	-	-	-	-	64,900
Total net assets (deficit)	(1,433,582)	(258,045)	101,479	69,301	-	(1,520,847)
Total liabilities and net assets (deficit)	\$ 21,349,949	\$ 268,363	\$ 101,479	\$ 274,955	\$ (1,295,483)	\$ 20,699,263

Parkview Adventist Medical Center and Subsidiaries
Consolidating Schedule – Statement of Operations Information
Year Ended December 31, 2012

	Parkview Adventist Medical Center	Parkview Management Services	Parkview Medical Arts Building	Parkview Professional Practice Building	Eliminations	Total
Unrestricted Revenues, Gains and Other Support						
Net patient service revenue	\$ 32,850,914	\$ -	\$ -	\$ -	\$ -	\$ 32,850,914
Provision for uncollectible accounts	(3,071,285)	-	-	-	-	(3,071,285)
Net patient service revenue less provision for uncollectible accounts	29,779,629	-	-	-	-	29,779,629
Other revenue	1,641,527	-	-	45,977	(36,312)	1,651,192
Net assets released from restrictions used for operations	7,063	-	-	-	-	7,063
Total unrestricted revenues, gains and other support	31,428,219	-	-	45,977	(36,312)	31,437,884
Expenses and Losses						
Salaries, wages and employee benefits	13,667,744	-	-	-	-	13,667,744
Supplies and other	17,547,142	-	30	32,771	(36,312)	17,543,631
Depreciation and amortization	1,459,924	-	-	9,175	-	1,469,099
Interest	268,036	-	-	-	-	268,036
Total expenses and losses	32,942,846	-	30	41,946	(36,312)	32,948,510
Operating Income (Loss)	(1,514,627)	-	(30)	4,031	-	(1,510,626)
Other Income (Expense)						
Contributions received	11,151	-	-	-	-	11,151
Total other income	11,151	-	-	-	-	11,151
Excess (Deficiency) of Revenues Over Expenses	(1,503,476)	-	(30)	4,031	-	(1,499,475)
Net assets released from restriction used for purchase of property and equipment	4,076	-	-	-	-	4,076
Increase (Decrease) in Unrestricted Net Assets	\$ (1,499,400)	\$ -	\$ (30)	\$ 4,031	\$ -	\$ (1,495,399)

Parkview Adventist Medical Center and Subsidiaries
Consolidating Schedule – Statement of Changes in Net Assets Information
Year Ended December 31, 2012

	Parkview Adventist Medical Center	Parkview Management Services	Parkview Medical Arts Building	Parkview Professional Practice Building	Eliminations	Total
Unrestricted Net Assets						
Excess (deficiency) of revenues over expenses	\$ (1,503,476)	\$ -	\$ (30)	\$ 4,031	\$ -	\$ (1,499,475)
Net assets released from restriction used for purchase of property and equipment	4,076	-	-	-	-	4,076
Increase (decrease) in unrestricted net assets	(1,499,400)	-	(30)	4,031	-	(1,495,399)
Temporarily Restricted Net Assets						
Contributions received	6,194	-	-	-	-	6,194
Net assets released from restrictions	(11,139)	-	-	-	-	(11,139)
Increase in temporarily restricted net assets	(4,945)	-	-	-	-	(4,945)
Change in Net Assets (Deficit)	(1,504,345)	-	(30)	4,031	-	(1,500,344)
Net Assets (Deficit), Beginning of Year	70,763	(258,045)	101,509	65,270	-	(20,503)
Net Assets (Deficit), End of Year	\$ (1,433,582)	\$ (258,045)	\$ 101,479	\$ 69,301	\$ -	\$ (1,520,847)