

**Return of Organization Exempt From Income Tax**

**2012**

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

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

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

**A For the 2012 calendar year, or tax year beginning** 07/01, 2012, and ending 06/30, 2013

<b>B</b> Check if applicable:  <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C Name of organization</b> RUMFORD HOSPITAL			<b>D Employer identification number</b> 01-0215227	
	Doing Business As				
	Number and street (or P.O. box if mail is not delivered to street address)		Room/suite	<b>E Telephone number</b> (207) 795-2972	
	420 FRANKLIN STREET				
	City, town or post office, state, and ZIP code RUMFORD, ME 04276			<b>G Gross receipts \$</b> 41,600,224.	
<b>F Name and address of principal officer:</b> R. DAVID FRUM 420 FRANKLIN STREET RUMFORD, ME 04276			<b>H(a) Is this a group return for affiliates?</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>		
			<b>H(b) Are all affiliates included?</b> Yes <input type="checkbox"/> No <input type="checkbox"/>		
			If "No," attach a list. (see instructions)		
<b>I Tax-exempt status:</b> <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527			<b>H(c) Group exemption number</b> ▶		
<b>J Website:</b> ▶ WWW.RUMFORDHOSPITAL.ORG					
<b>K Form of organization:</b> <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶			<b>L Year of formation:</b> 1974 <b>M State of legal domicile:</b> ME		

**Part I Summary**

<b>Activities &amp; Governance</b>	1 Briefly describe the organization's mission or most significant activities: RUMFORD HOSPITAL STRIVES TO PROVIDE EXCEPTIONAL HEALTHCARE SERVICES. THE HOSPITAL DEPENDS ON THE EXPERTISE OF ITS CAREGIVERS IN ADDITION TO THE COMMITMENT AND COMPASSION THEY PROVIDE TO FULFILL ITS MISSION.		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3	Number of voting members of the governing body (Part VI, line 1a) . . . . . 10.	
	4	Number of independent voting members of the governing body (Part VI, line 1b) . . . . . 9.	
	5	Total number of individuals employed in calendar year 2012 (Part V, line 2a) . . . . . 354.	
	6	Total number of volunteers (estimate if necessary) . . . . . 9.	
	7a	Total unrelated business revenue from Part VIII, column (C), line 12 . . . . . 0	
	7b	Net unrelated business taxable income from Form 990-T, line 34 . . . . . 0	
	<b>Revenue</b>	<b>Prior Year</b> <b>Current Year</b>	
		8	Contributions and grants (Part VIII, line 1h) . . . . . 125,819.                      55,786.
9		Program service revenue (Part VIII, line 2g) . . . . . 37,475,529.                      36,221,486.	
10		Investment income (Part VIII, column (A), lines 3, 4, and 7d) . . . . . 116,143.                      186,375.	
11		Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) . . . . . -38,948.                      -23,687.	
12		Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12) . . . . . 37,678,543.                      36,439,960.	
<b>Expenses</b>	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3) . . . . . 10,000.                      0	
	14	Benefits paid to or for members (Part IX, column (A), line 4) . . . . . 0                      0	
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10) . . . . . 16,722,232.                      16,927,578.	
	16a	Professional fundraising fees (Part IX, column (A), line 11e) . . . . . 0                      0	
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 0	
	17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e) . . . . . 21,181,377.                      19,822,342.	
	18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25) . . . . . 37,913,609.                      36,749,920.	
19	Revenue less expenses. Subtract line 18 from line 12 . . . . . -235,066.                      -309,960.		
<b>Net Assets or Fund Balances</b>	<b>Beginning of Current Year</b> <b>End of Year</b>		
	20	Total assets (Part X, line 16) . . . . . 26,151,909.                      30,408,979.	
	21	Total liabilities (Part X, line 26) . . . . . 7,453,217.                      12,025,243.	
22	Net assets or fund balances. Subtract line 21 from line 20. . . . . 18,698,692.                      18,383,736.		

**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.

<b>Sign Here</b>	▶ Signature of officer _____ Date _____				
	▶ Type or print name and title _____				
<b>Paid Preparer Use Only</b>	Print/Type preparer's name BRIAN D. TODD	Preparer's signature <i>Brian D Todd, CPA</i>	Date 3/5/14	Check <input type="checkbox"/> if self-employed	PTIN P00422601
	Firm's name ▶ BKD, LLP			Firm's EIN ▶ 44-0160260	
	Firm's address ▶ 910 E ST LOUIS #200/PO BOX 1190 SPRINGFIELD, MO 65806-2523			Phone no. 417 865-8701	

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

For Paperwork Reduction Act Notice, see the separate instructions. Form **990** (2012)

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission:

TO PROVIDE EXCEPTIONAL HEALTHCARE SERVICES IN A SAFE AND TRUSTFUL ENVIRONMENT THROUGH THE EXPERTISE, COMMITMENT AND COMPASSION OF OUR FAMILY OF CAREGIVERS.

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

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

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

4a (Code: ) (Expenses \$ 28,478,425. including grants of \$ ) (Revenue \$ 36,221,486. )

RUMFORD HOSPITAL IS A CRITICAL ACCESS HOSPITAL, PROVIDING COMPREHENSIVE PRIMARY CARE & SOPHISTICATED DIAGNOSTIC SERVICES, INCLUDING CT SCANNING, ULTRASOUND AND NUCLEAR MEDICINE. THE HOSPITAL OFFERS MEDICAL SURGICAL NURSING SERVICES, A BIRTHING CENTER, WOMEN'S HEALTH SERVICES & AMBULATORY SURGERY. THE SWING BED PROGRAM PROVIDES CARE FOR PATIENTS WHO NEED SKILLED NURSING SERVICES. RUMFORD HOSPITAL ALSO MAINTAINS A 24 HOUR EMERGENCY DEPARTMENT AND STAFFS AN INTENSIVE CARE UNIT.

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

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

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

4e Total program service expenses 28,478,425.

**Part IV Checklist of Required Schedules**

	Yes	No
<b>1</b> Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i> . . . . .	X	
<b>2</b> Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> (see instructions)? . . . . .		X
<b>3</b> Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i> . . . . .		X
<b>4</b> <b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i> . . . . .	X	
<b>5</b> Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i> . . . . .		X
<b>6</b> Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i> . . . . .		X
<b>7</b> Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i> . . . . .		X
<b>8</b> Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i> . . . . .		X
<b>9</b> Did the organization report an amount in Part X, line 21, for escrow or custodial account liability; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i> . . . . .		X
<b>10</b> Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i> . . . . .	X	
<b>11</b> 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.		
<b>a</b> Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i> . . . . .	X	
<b>b</b> Did the organization report an amount for investments-other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i> . . . . .		X
<b>c</b> Did the organization report an amount for investments-program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i> . . . . .		X
<b>d</b> Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i> . . . . .	X	
<b>e</b> Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i> . . . . .	X	
<b>f</b> Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i> . . . . .		X
<b>12 a</b> Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i> . . . . .		X
<b>b</b> Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i> . . . . .	X	
<b>13</b> Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i> . . . . .		X
<b>14 a</b> Did the organization maintain an office, employees, or agents outside of the United States? . . . . .		X
<b>b</b> Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i> . . . . .		X
<b>15</b> Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? <i>If "Yes," complete Schedule F, Parts II and IV</i> . . . . .		X
<b>16</b> Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? <i>If "Yes," complete Schedule F, Parts III and IV</i> . . . . .		X
<b>17</b> Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I (see instructions)</i> . . . . .		X
<b>18</b> Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i> . . . . .		X
<b>19</b> Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i> . . . . .		X
<b>20 a</b> Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i> . . . . .	X	
<b>b</b> If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return? . . . . .	X	

**Part IV Checklist of Required Schedules (continued)**

		Yes	No
21	Did the organization report more than \$5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II.</i>		X
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III.</i>		X
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J.</i>	X	
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?		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25 a	<b>Section 501(c)(3) and 501(c)(4) organizations.</b> 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>		
36	<b>Section 501(c)(3) organizations.</b> 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? <b>Note.</b> 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.

Table with columns for question numbers (1a-14b), Yes/No checkboxes, and numerical input fields. Contains questions about Form 1096, Form W-2G, Form W-3, Form 990-T, Form 8886-T, Form 8282, Form 8899, Form 1098-C, Form 990, Form 1041, and Form 720.

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

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

Section A. Governing Body and Management

Table with 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: PHIL MORISSETTE 29 LOWELL STREET LEWISTON, ME 04240 207-795-2972

**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  X

**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) PETER E. CHALKE PRESIDENT OF CMHC	1.00 60.00	X		X				0	1,819,657.	16,326.
(2) STUART R. COOPER DIRECTOR	1.00 1.00	X						0	0	0
(3) JOLAN IPPOLITO CHAIRMAN	1.00	X		X				0	0	0
(4) ROGER ARSENAULT DIRECTOR	1.00	X						0	0	0
(5) RICHARD LOVEJOY SECRETARY/TREASURER	1.00 1.00	X		X				0	0	0
(6) ROBERT STICKNEY VICE CHAIRMAN	1.00	X		X				0	0	0
(7) LINDA CAMERON, O.D. DIRECTOR/VICE CHAIR BGN 6/13	1.00	X		X				0	0	0
(8) DAVID DUGUAY DIRECTOR	1.00	X						0	0	0
(9) JANET HALL DIRECTOR BEGINNING 01/13	1.00	X						0	0	0
(10) JERROLD COHEN DIRECTOR BEGINNING 01/13	1.00	X						0	0	0
(11) R. DAVID FRUM PRESIDENT	27.50 29.50			X				0	285,233.	40,062.
(12) JOHN KROGER, M.D. DIVISION CHIEF	55.00				X			198,145.	0	17,996.
(13) JACOB LEDESMA, M.D. PHYSICIAN	55.00					X		398,952.	0	18,717.
(14) THOMAS DELUCA, M.D. PHYSICIAN	55.00					X		323,598.	0	19,312.



**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	
<b>Contributions, Gifts, Grants and Other Similar Amounts</b>	<b>1a</b>	Federated campaigns . . . . . <b>1a</b>					
	<b>b</b>	Membership dues . . . . . <b>1b</b>					
	<b>c</b>	Fundraising events . . . . . <b>1c</b>					
	<b>d</b>	Related organizations . . . . . <b>1d</b>					
	<b>e</b>	Government grants (contributions) . . . . . <b>1e</b>					
	<b>f</b>	All other contributions, gifts, grants, and similar amounts not included above . . . . . <b>1f</b>	55,786.				
	<b>g</b>	Noncash contributions included in lines 1a-1f: \$					
	<b>h</b>	<b>Total.</b> Add lines 1a-1f . . . . . ▶	55,786.				
<b>Program Service Revenue</b>	<b>2a</b>	NET PATIENT SERVICE REVENUE	900099	35,072,682.	35,072,682.		
	<b>b</b>	CAFETERIA REVENUE	722514	77,042.	77,042.		
	<b>c</b>	OTHER REVENUE	900099	1,071,762.	1,071,762.		
	<b>d</b>						
	<b>e</b>						
	<b>f</b>	All other program service revenue . . . . .					
	<b>g</b>	<b>Total.</b> Add lines 2a-2f . . . . . ▶		36,221,486.			
<b>Other Revenue</b>	<b>3</b>	Investment income (including dividends, interest, and other similar amounts) . . . . . ▶		60,822.		60,822.	
	<b>4</b>	Income from investment of tax-exempt bond proceeds . . . . . ▶		0			
	<b>5</b>	Royalties . . . . . ▶		0			
	<b>6a</b>	Gross rents . . . . .	(i) Real		5,575.		
			(ii) Personal				
	<b>b</b>	Less: rental expenses . . . . .		29,262.			
	<b>c</b>	Rental income or (loss) . . . . .		-23,687.			
	<b>d</b>	Net rental income or (loss) . . . . . ▶		-23,687.		-23,687.	
	<b>7a</b>	Gross amount from sales of assets other than inventory	(i) Securities		5,256,555.		
			(ii) Other				
	<b>b</b>	Less: cost or other basis and sales expenses . . . . .		5,131,002.			
	<b>c</b>	Gain or (loss) . . . . .		125,553.			
<b>d</b>	Net gain or (loss) . . . . . ▶		125,553.		125,553.		
<b>8a</b>	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18 . . . . . <b>a</b>						
<b>b</b>	Less: direct expenses . . . . . <b>b</b>						
<b>c</b>	Net income or (loss) from fundraising events . . . . . ▶		0				
<b>9a</b>	Gross income from gaming activities. See Part IV, line 19 . . . . . <b>a</b>						
<b>b</b>	Less: direct expenses . . . . . <b>b</b>						
<b>c</b>	Net income or (loss) from gaming activities . . . . . ▶		0				
<b>10a</b>	Gross sales of inventory, less returns and allowances . . . . . <b>a</b>						
<b>b</b>	Less: cost of goods sold . . . . . <b>b</b>						
<b>c</b>	Net income or (loss) from sales of inventory . . . . . ▶		0				
	Miscellaneous Revenue	Business Code					
<b>11a</b>							
<b>b</b>							
<b>c</b>							
<b>d</b>	All other revenue . . . . .						
<b>e</b>	<b>Total.</b> Add lines 11a-11d . . . . . ▶		0				
<b>12</b>	<b>Total revenue.</b> See instructions . . . . . ▶		36,439,960.	36,221,486.		162,688.	

**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 X

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 . . . . .	0			
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 . . . . .	216,141.	216,141.		
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 . . . . .	13,539,957.	9,886,364.	3,653,593.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions) . . . . .	382,784.	279,641.	103,143.	
9 Other employee benefits . . . . .	1,894,782.	1,387,429.	507,353.	
10 Payroll taxes . . . . .	893,914.	656,181.	237,733.	
11 Fees for services (non-employees):				
a Management . . . . .	0			
b Legal . . . . .	16,863.		16,863.	
c Accounting . . . . .	12,716.		12,716.	
d Lobbying . . . . .	0			
e Professional fundraising services. See Part IV, line 17 . . . . .	0			
f Investment management fees . . . . .	6,156.		6,156.	
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O). . . . .	7,264,230.	5,332,337.	1,931,893.	
12 Advertising and promotion . . . . .	96,822.	71,073.	25,749.	
13 Office expenses . . . . .	2,089,917.	1,534,113.	555,804.	
14 Information technology . . . . .	543,152.	398,703.	144,449.	
15 Royalties . . . . .	0			
16 Occupancy . . . . .	666,818.	489,480.	177,338.	
17 Travel . . . . .	173,294.	127,207.	46,087.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials . . . . .	0			
19 Conferences, conventions, and meetings . . . . .	0			
20 Interest . . . . .	55,195.	40,516.	14,679.	
21 Payments to affiliates . . . . .	0			
22 Depreciation, depletion, and amortization . . . . .	1,115,156.	818,585.	296,571.	
23 Insurance . . . . .	1,078,634.	791,776.	286,858.	
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>MEDICAL SUPPLIES &amp; DRUGS</u> . . . . .	2,938,426.	2,938,426.		
b <u>BAD DEBT</u> . . . . .	2,807,964.	2,807,964.		
c <u>REPAIRS &amp; MAINTENANCE</u> . . . . .	790,718.	580,430.	210,288.	
d <u>LICENSES, DUES, SUBSCRIPTION</u> . . . . .	87,104.	63,939.	23,165.	
e All other expenses . . . . .	79,177.	58,120.	21,057.	
25 Total functional expenses. Add lines 1 through 24e	36,749,920.	28,478,425.	8,271,495.	
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

		(A) Beginning of year		(B) End of year
<b>Assets</b>	1 Cash - non-interest-bearing	120,379.	1	131,865.
	2 Savings and temporary cash investments	3,095,535.	2	9,213,440.
	3 Pledges and grants receivable, net	0	3	0
	4 Accounts receivable, net	4,216,652.	4	4,036,644.
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L	0	5	16,106.
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L	0	6	0
	7 Notes and loans receivable, net	0	7	0
	8 Inventories for sale or use	226,045.	8	246,917.
	9 Prepaid expenses and deferred charges	849,693.	9	731,154.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 31,429,817.		
	b Less: accumulated depreciation	10b 18,514,919.	12,874,857.	10c 12,914,898.
	11 Investments - publicly traded securities	227,743.	11	0
	12 Investments - other securities. See Part IV, line 11	0	12	0
	13 Investments - program-related. See Part IV, line 11	0	13	0
	14 Intangible assets	0	14	0
	15 Other assets. See Part IV, line 11	4,541,005.	15	3,117,955.
16 <b>Total assets.</b> Add lines 1 through 15 (must equal line 34)	26,151,909.	16	30,408,979.	
<b>Liabilities</b>	17 Accounts payable and accrued expenses	5,585,047.	17	6,234,553.
	18 Grants payable	0	18	0
	19 Deferred revenue	33,107.	19	60,961.
	20 Tax-exempt bond liabilities	0	20	0
	21 Escrow or custodial account liability. Complete Part IV of Schedule D	0	21	0
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L	0	22	0
	23 Secured mortgages and notes payable to unrelated third parties	1,835,063.	23	1,629,794.
	24 Unsecured notes and loans payable to unrelated third parties	0	24	0
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	0	25	4,099,935.
	26 <b>Total liabilities.</b> Add lines 17 through 25	7,453,217.	26	12,025,243.
<b>Net Assets or Fund Balances</b>	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	18,196,491.	27	17,892,062.
	28 Temporarily restricted net assets	247,626.	28	237,935.
	29 Permanently restricted net assets	254,575.	29	253,739.
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
33 <b>Total net assets or fund balances</b>	18,698,692.	33	18,383,736.	
34 <b>Total liabilities and net assets/fund balances</b>	26,151,909.	34	30,408,979.	

**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	36,439,960.
2	Total expenses (must equal Part IX, column (A), line 25)	2	36,749,920.
3	Revenue less expenses. Subtract line 2 from line 1	3	-309,960.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	18,698,692.
5	Net unrealized gains (losses) on investments	5	-4,160.
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	-836.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	18,383,736.

**Part XII Financial Statements and Reporting**

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

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

	Yes	No
2a		X
2b	X	
2c	X	
3a		X
3b		

**SCHEDULE A**  
**(Form 990 or 990-EZ)**

**Public Charity Status and Public Support**

OMB No. 1545-0047

**2012**

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

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

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

Name of the organization  
RUMFORD HOSPITAL

Employer identification number  
01-0215227

**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? .....

	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)									
<b>Total</b>									

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

Table with 7 columns: (a) 2008, (b) 2009, (c) 2010, (d) 2011, (e) 2012, (f) Total. Rows include: 1 Gifts, grants, contributions, and membership fees received; 2 Tax revenues levied for the organization's benefit; 3 The value of services or facilities furnished by a governmental unit; 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

Table with 7 columns: (a) 2008, (b) 2009, (c) 2010, (d) 2011, (e) 2012, (f) Total. Rows include: 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); 13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here.

Section C. Computation of Public Support Percentage

Table with 2 columns: Percentage, %. Rows include: 14 Public support percentage for 2012 (line 6, column (f) divided by line 11, column (f)); 15 Public support percentage from 2011 Schedule A, Part II, line 14; 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; b 33 1/3% support test - 2011. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization; 17a 10%-facts-and-circumstances test - 2012. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization; b 10%-facts-and-circumstances test - 2011. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization; 18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions.

Part III Support Schedule for Organizations Described in Section 509(a)(2)
(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II.
If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Table with 7 columns: (a) 2008, (b) 2009, (c) 2010, (d) 2011, (e) 2012, (f) Total. Rows include: 1 Gifts, grants, contributions, and membership fees received; 2 Gross receipts from admissions, merchandise sold or services performed; 3 Gross receipts from activities that are not an unrelated trade or business; 4 Tax revenues levied for the organization's benefit; 5 The value of services or facilities furnished by a governmental unit; 6 Total. Add lines 1 through 5; 7a Amounts included on lines 1, 2, and 3 received from disqualified persons; 7b Amounts included on lines 2 and 3 received from other than disqualified persons; 7c Add lines 7a and 7b; 8 Public support (Subtract line 7c from line 6).

Section B. Total Support

Table with 7 columns: (a) 2008, (b) 2009, (c) 2010, (d) 2011, (e) 2012, (f) Total. Rows include: 9 Amounts from line 6; 10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources; 10b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975; 10c Add lines 10a and 10b; 11 Net income from unrelated business activities not included in line 10b; 12 Other income. Do not include gain or loss from the sale of capital assets; 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

Table with 2 columns: Line number, Percentage. Row 15: Public support percentage for 2012 (line 8, column (f) divided by line 13, column (f)). Row 16: Public support percentage from 2011 Schedule A, Part III, line 15.

Section D. Computation of Investment Income Percentage

Table with 2 columns: Line number, Percentage. Row 17: Investment income percentage for 2012 (line 10c, column (f) divided by line 13, column (f)). Row 18: Investment income percentage from 2011 Schedule A, Part III, line 17.

- 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.
19b 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).

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**Political Campaign and Lobbying Activities**

**2012**

**Open to Public Inspection**

**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.**

Department of the Treasury  
Internal Revenue Service

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

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

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

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

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

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

Name of organization RUMFORD HOSPITAL	Employer identification number 01-0215227
--	--

**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)	-----			

**Part II-A** Complete if the organization is exempt under section 501(c)(3) and 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												
<b>1 a</b>	Total lobbying expenditures to influence public opinion (grass roots lobbying) . . . . .														
<b>b</b>	Total lobbying expenditures to influence a legislative body (direct lobbying) . . . . .														
<b>c</b>	Total lobbying expenditures (add lines 1a and 1b) . . . . .														
<b>d</b>	Other exempt purpose expenditures . . . . .														
<b>e</b>	Total exempt purpose expenditures (add lines 1c and 1d) . . . . .														
<b>f</b>	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.														
<b>g</b>	Grassroots nontaxable amount (enter 25% of line 1f) . . . . .														
<b>h</b>	Subtract line 1g from line 1a. If zero or less, enter -0- . . . . .														
<b>i</b>	Subtract line 1f from line 1c. If zero or less, enter -0- . . . . .														
<b>j</b>	If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? . . . . .		<input type="checkbox"/> Yes <input type="checkbox"/> No												

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

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

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

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

	(a)		(b)
	Yes	No	Amount
<b>1</b> During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
<b>a</b> Volunteers?		X	
<b>b</b> Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		X	
<b>c</b> Media advertisements?		X	
<b>d</b> Mailings to members, legislators, or the public?		X	
<b>e</b> Publications, or published or broadcast statements?		X	
<b>f</b> Grants to other organizations for lobbying purposes?		X	
<b>g</b> Direct contact with legislators, their staffs, government officials, or a legislative body?		X	
<b>h</b> Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		X	
<b>i</b> Other activities?	X		7,444.
<b>j</b> Total. Add lines 1c through 1i			7,444.
<b>2 a</b> Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		X	
<b>b</b> If "Yes," enter the amount of any tax incurred under section 4912			
<b>c</b> If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
<b>d</b> If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

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

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

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

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

**Part IV Supplemental Information**

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

LOBBYING EXPENSES

SCHEDULE C, PART II-B, LINE 1I

PORTION OF DUES FOR PROFESSIONAL ASSOCIATIONS ATTRIBUTED TO LOBBYING

EXPENSES - \$7,444

**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

RUMFORD HOSPITAL

Employer identification number

01-0215227

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 3 columns: Line number, Description, (a) Donor advised funds, (b) Funds and other accounts. Includes rows for total number, aggregate contributions, aggregate grants, aggregate value, and two Yes/No questions regarding donor advisement.

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

Table with 3 columns: Line number, Description, Held at the End of the Tax Year. Includes rows for purpose(s) of easements, total number, acreage, and monitoring details.

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.

Table with 3 columns: Line number, Description, Amount. Includes rows for reporting requirements for art and historical treasures.

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

Schedule D (Form 990) 2012

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

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

- a  Public exhibition
- b  Scholarly research
- c  Preservation for future generations
- d  Loan or exchange programs
- e  Other \_\_\_\_\_

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

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

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

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

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

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

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

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

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

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	502,201.	491,734.	499,320.	463,891.	536,730.
b Contributions	6,910.	12,735.	9,000.	13,532.	11,068.
c Net investment earnings, gains, and losses	-836.	-2,068.	10,970.	23,747.	-79,304.
d Grants or scholarships					
e Other expenditures for facilities and programs	16,601.	200.	27,556.	1,850.	4,603.
f Administrative expenses					
g End of year balance	491,674.	502,201.	491,734.	499,320.	463,891.

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  51.6072 %
- c Temporarily restricted endowment  48.3928 %

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

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

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

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		89,148.		89,148.
b Buildings		14,425,278.	6,099,424.	8,325,854.
c Leasehold improvements				
d Equipment		15,288,842.	12,173,389.	3,115,453.
e Other		1,626,549.	242,106.	1,384,443.
<b>Total.</b> Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				12,914,898.

**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)		
<b>Total.</b> (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)		
<b>Total.</b> (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) INVESTMENT IN CHARITABLE TRUST	64,404.
(2) OTHER RECEIVABLES	166,325.
(3) DEPOSITS	1,125.
(4) EST AMT DUE FROM 3RD PARTIES	2,886,101.
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 15.)	3,117,955.

**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	4,099,935.
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 25.)	4,099,935.

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**

<b>1</b>	Total revenue, gains, and other support per audited financial statements	<b>1</b>	36,458,070.
<b>2</b>	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
<b>a</b>	Net unrealized gains on investments	<b>2a</b>	-4,160.
<b>b</b>	Donated services and use of facilities	<b>2b</b>	
<b>c</b>	Recoveries of prior year grants	<b>2c</b>	
<b>d</b>	Other (Describe in Part XIII.)	<b>2d</b>	-6,992.
<b>e</b>	Add lines 2a through 2d	<b>2e</b>	-11,152.
<b>3</b>	Subtract line 2e from line 1	<b>3</b>	36,469,222.
<b>4</b>	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b	<b>4a</b>	
<b>b</b>	Other (Describe in Part XIII.)	<b>4b</b>	-29,262.
<b>c</b>	Add lines 4a and 4b	<b>4c</b>	-29,262.
<b>5</b>	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	<b>5</b>	36,439,960.

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

<b>1</b>	Total expenses and losses per audited financial statements	<b>1</b>	36,773,026.
<b>2</b>	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
<b>a</b>	Donated services and use of facilities	<b>2a</b>	
<b>b</b>	Prior year adjustments	<b>2b</b>	
<b>c</b>	Other losses	<b>2c</b>	
<b>d</b>	Other (Describe in Part XIII.)	<b>2d</b>	29,262.
<b>e</b>	Add lines 2a through 2d	<b>2e</b>	29,262.
<b>3</b>	Subtract line 2e from line 1	<b>3</b>	36,743,764.
<b>4</b>	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b	<b>4a</b>	6,156.
<b>b</b>	Other (Describe in Part XIII.)	<b>4b</b>	
<b>c</b>	Add lines 4a and 4b	<b>4c</b>	6,156.
<b>5</b>	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)	<b>5</b>	36,749,920.

**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)

SCHEDULE D, PART V, LINE 4

ENDOWMENT FUNDS

ENDOWMENT FUNDS ARE USED TO SUPPORT THE ORGANIZATION IN A VARIETY OF WAYS, DEPENDING UPON THE STATED PURPOSE OF EACH FUND. MANY OF THESE FUNDS HELP TO COVER COSTS OF CAPITAL EQUIPMENT PURCHASES, CONTINUING EDUCATION, OR FREE CARE. OTHERS ARE DESIGNATED TO SUPPORT SPECIFIC DEPARTMENTS OF THE HOSPITAL.

UNCERTAIN TAX POSITION

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.

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

SCHEDULE D, PART XI, LINE 2D

\$ (6,156) INVESTMENT MANAGEMENT FEES

(836) CHANGE IN BENEFICIAL INTEREST OF PERPETUAL TRUST

-----  
\$ (6,992)

**Part XIII Supplemental Information (continued)**

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

SCHEDULE D, PART XI, LINE 4B

\$ (29,262) RENTAL EXPENSES

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

SCHEDULE D, PART XII, LINE 2D

\$ 29,262 RENTAL EXPENSES

**SCHEDULE H**  
**(Form 990)**

**Hospitals**

OMB No. 1545-0047

**2012**

**Open to Public Inspection**

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

Department of the Treasury  
Internal Revenue Service

Name of the organization

RUMFORD HOSPITAL

Employer identification number

01-0215227

**Part I Financial Assistance and Certain Other Community Benefits at Cost**

	Yes	No
<b>1a</b> Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a . . . . .	X	
<b>1b</b> If "Yes," was it a written policy? . . . . .	X	
<b>2</b> If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year. <input checked="" type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> Generally tailored to individual hospital facilities		
<b>3</b> 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.		
<b>a</b> Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care: <input type="checkbox"/> 100% <input checked="" type="checkbox"/> 150% <input type="checkbox"/> 200% <input type="checkbox"/> Other _____ %	X	
<b>b</b> Did the organization use FPG as a factor in determining eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care: . . . . . <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input type="checkbox"/> Other _____ %		X
<b>c</b> 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.		
<b>4</b> 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"? . . . . .	X	
<b>5a</b> Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	X	
<b>b</b> If "Yes," did the organization's financial assistance expenses exceed the budgeted amount? . . . . .		X
<b>c</b> 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? . . . . .		
<b>6a</b> Did the organization prepare a community benefit report during the tax year? . . . . .		X
<b>b</b> If "Yes," did the organization make it available to the public? . . . . .		

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

<b>7 Financial Assistance and Certain Other Community Benefits at Cost</b>						
<b>Financial Assistance and Means-Tested Government Programs</b>	<b>(a) Number of activities or programs (optional)</b>	<b>(b) Persons served (optional)</b>	<b>(c) Total community benefit expense</b>	<b>(d) Direct offsetting revenue</b>	<b>(e) Net community benefit expense</b>	<b>(f) Percent of total expense</b>
<b>a</b> Financial Assistance at cost (from Worksheet 1) . . . . .			590,433.		590,433.	1.74
<b>b</b> Medicaid (from Worksheet 3, column a) . . . . .			6,691,258.	3,636,110.	3,055,148.	9.00
<b>c</b> Costs of other means-tested government programs (from Worksheet 3, column b) . . . . .						
<b>d</b> Total Financial Assistance and Means-Tested Government Programs . . . . .			7,281,691.	3,636,110.	3,645,581.	10.74
<b>Other Benefits</b>						
<b>e</b> Community health improvement services and community benefit operations (from Worksheet 4) . . . . .						
<b>f</b> Health professions education (from Worksheet 5) . . . . .						
<b>g</b> Subsidized health services (from Worksheet 6) . . . . .						
<b>h</b> Research (from Worksheet 7) . . . . .						
<b>i</b> Cash and in-kind contributions for community benefit (from Worksheet 8) . . . . .						
<b>j</b> Total Other Benefits . . . . .						
<b>k</b> Total. Add lines 7d and 7j . . . . .			7,281,691.	3,636,110.	3,645,581.	10.74

**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	12,987,359.		
6 Enter Medicare allowable costs of care relating to payments on line 5 . . . . .	6	12,508,678.		
7 Subtract line 6 from line 5. This is the surplus (or shortfall) . . . . .	7	478,681.		
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 RUMFORD HOSPITAL

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

		Yes	No
<b>Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)</b>			
<b>1</b>	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9 . . . . .	X	
If "Yes," indicate what the CHNA report describes (check all that apply):			
<b>a</b>	<input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
<b>b</b>	<input checked="" type="checkbox"/> Demographics of the community		
<b>c</b>	<input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
<b>d</b>	<input checked="" type="checkbox"/> How data was obtained		
<b>e</b>	<input checked="" type="checkbox"/> The health needs of the community		
<b>f</b>	<input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
<b>g</b>	<input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
<b>h</b>	<input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
<b>i</b>	<input checked="" type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs		
<b>j</b>	<input type="checkbox"/> Other (describe in Part VI)		
<b>2</b>	Indicate the tax year the hospital facility last conducted a CHNA: <u>20 1 2</u>		
<b>3</b>	In conducting its most recent CHNA, did the hospital facility take into account input from representatives of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted, . . . . .	X	
<b>4</b>	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI . . . . .		X
<b>5</b>	Did the hospital facility make its CHNA report widely available to the public? . . . . .	X	
If "Yes," indicate how the CHNA report was made widely available (check all that apply):			
<b>a</b>	<input checked="" type="checkbox"/> Hospital facility's website		
<b>b</b>	<input checked="" type="checkbox"/> Available upon request from the hospital facility		
<b>c</b>	<input type="checkbox"/> Other (describe in Part VI)		
<b>6</b>	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply to date):		
<b>a</b>	<input checked="" type="checkbox"/> Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA		
<b>b</b>	<input checked="" type="checkbox"/> Execution of the implementation strategy		
<b>c</b>	<input checked="" type="checkbox"/> Participation in the development of a community-wide plan		
<b>d</b>	<input checked="" type="checkbox"/> Participation in the execution of a community-wide plan		
<b>e</b>	<input checked="" type="checkbox"/> Inclusion of a community benefit section in operational plans		
<b>f</b>	<input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA		
<b>g</b>	<input checked="" type="checkbox"/> Prioritization of health needs in its community		
<b>h</b>	<input checked="" type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community		
<b>i</b>	<input type="checkbox"/> Other (describe in Part VI)		
<b>7</b>	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs . . .		X
<b>8a</b>	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)? . . . . .		X
<b>8b</b>	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax? . . . . .		
<b>c</b>	If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$ _____		

**Part V Facility Information (continued)**

Financial Assistance Policy RUMFORD HOSPITAL		Yes	No
Did the hospital facility have in place during the tax year a written financial assistance policy that:			
9	Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care? . . . . .	X	
10	Used federal poverty guidelines (FPG) to determine eligibility for providing free care? . . . . . If "Yes," indicate the FPG family income limit for eligibility for free care: <u>1</u> <u>5</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 discounted care? . . . . . If "Yes," indicate the FPG family income limit for eligibility for discounted care: <u>  </u> <u>  </u> <u>  </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 type="checkbox"/> Income level		
b	<input type="checkbox"/> Asset level		
c	<input type="checkbox"/> Medical indigency		
d	<input type="checkbox"/> Insurance status		
e	<input type="checkbox"/> Uninsured discount		
f	<input type="checkbox"/> Medicaid/Medicare		
g	<input checked="" 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 checked="" type="checkbox"/> The policy was posted on the hospital facility's website		
b	<input type="checkbox"/> The policy was attached to billing invoices		
c	<input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms		
d	<input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices		
e	<input checked="" type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility		
f	<input checked="" type="checkbox"/> The policy was available on request		
g	<input checked="" type="checkbox"/> Other (describe in Part VI)		

**Billing and Collections**

15	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment? . . . . .	X	
16	Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine 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) RUMFORD HOSPITAL**

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

- a  Notified individuals of the financial assistance policy on admission
- b  Notified individuals of the financial assistance policy prior to discharge
- c  Notified individuals of the financial assistance policy in communications with the patients regarding the patients' bills
- d  Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy
- e  Other (describe in Part VI)

**Policy Relating to Emergency Medical Care**

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

	Yes	No
19	X	

If "No," indicate why:

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

**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? . . . . .

20		
21		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? . . . . .

22		X
----	--	---

If "Yes," explain in Part VI.

**Part V Facility information (continued)**

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

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

How many non-hospital health care facilities did the organization operate during the tax year? 5

Name and address	Type of Facility (describe)
<b>1</b> DIXFIELD CLINIC 146 WEL STREET DIXFIELD ME 04224	OUTPATIENT PHYSICIAN CLINIC
<b>2</b> SWIFT RIVER CLINIC 430 FRANKLIN STREET RUMFORD ME 04276	OUTPATIENT PHYSICIAN CLINIC
<b>3</b> RIVER VALLEY INTERNAL MEDICINE 431 FRANKLIN STREET RUMFORD ME 04276	OUTPATIENT PHYSICIAN CLINIC
<b>4</b> RUMFORD SPECIALTY SUITES 431 FRANKLIN STREET RUMFORD ME 04276	OUTPATIENT PHYSICIAN CLINIC
<b>5</b> RUMFORD SURGICAL SPECIALISTS 431 FRANKLIN STREET RUMFORD ME 04276	OUTPATIENT PHYSICIAN CLINIC
<b>6</b>  	
<b>7</b>  	
<b>8</b>  	
<b>9</b>  	
<b>10</b>  	

**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.
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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.

## PERCENT OF TOTAL EXPENSE

SCHEDULE H, PART I, LINE 7, COLUMN F

TO ARRIVE AT THE PERCENT OF TOTAL EXPENSES, THE DENOMINATOR WHICH EQUALS  
TOTAL OPERATING EXPENSES PER PART IX, LINE 25 OF THE FORM 990, WAS  
REDUCED BY BAD DEBT EXPENSE OF \$2,807,964.

## COSTING METHODOLOGY

SCHEDULE H, PART I, LINE 7

THE COST TO CHARGE RATIO CALCULATED ON IRS WORKSHEET 2 WAS USED TO  
CALCULATE AMOUNTS ON IRS WORKSHEETS 1 AND 3. ALL OTHER WORKSHEETS USED  
THE ORGANIZATION'S COST ACCOUNTING SYSTEM.

## BAD DEBT EXPENSE

SCHEDULE H, PART III, SECTION A, LINE 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. THAT FOOTNOTE READS AS FOLLOWS:

**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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THE CORPORATION REPORTS PATIENT ACCOUNTS RECEIVABLE FOR SERVICES RENDERED

AT NET REALIZABLE AMOUNTS FROM THIRD-PARTY PAYERS, PATIENTS AND OTHERS.

THE CORPORATION 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 CORPORATION 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.

LINE 2 REPORTS BAD DEBT EXPENSE FROM THE ORGANIZATION'S AUDITED FINANCIAL

STATEMENTS. BAD DEBT ATTRIBUTABLE TO PATIENTS UNDER THE ORGANIZATION'S

CHARITY CARE POLICY FOR LINE 3 WAS DETERMINED USING A COMPARISON OF

EXPERIENCED CHARITY CARE COVERAGE AND US CENSUS BUREAU DATA FOR THE MOST

RECENT YEAR AVAILABLE WHEN CHARITY CARE CONVERGE EXCEEDS THE CENSUS DATA,

A MINIMAL AMOUNT OF BAD DEBT IS ASSUMED TO BE ELIGIBLE FOR CHARITY CARE

**Part VI Supplemental Information**

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- 1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; 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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TO ACCOUNT FOR THOSE PATIENTS WHO REFUSE TO PROVIDE INFORMATION

DOCUMENTING ELIGIBILITY FOR THE PROGRAM. THESE ESTIMATES ARE BASED ON

STATE-WIDE DATA AND DO NOT ACCOUNT FOR DIFFERENCES IN GEOGRAPHIC

LOCATIONS WITHIN THE STATE. AS THIS AMOUNT IS RELATED TO PATIENTS

ELIGIBLE UNDER THE FINANCIAL ASSISTANCE POLICY, IT IS INCLUDED AS A

COMMUNITY BENEFIT.

MEDICARE COSTING METHODOLOGY

SCHEDULE H, PART III, SECTION B, LINE 8

THE COSTING METHODOLOGY USED FOR LINE 6 IS INFORMATION PULLED FROM THE

MEDICARE COST REPORT FILING.

COLLECTION POLICY

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

COLLECTION PRACTICES FOR PATIENTS KNOWN TO BE ELIGIBLE FOR CHARITY CARE

ARE LIMITED TO COLLECTING FROM ANY AVAILABLE PAYMENT SOURCES SUCH AS

MEDICARE OR MEDICAID. IF A PATIENT IS ELIGIBLE, BUT HAS NOT APPLIED FOR

**Part VI Supplemental information**

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MEDICAID COVERAGE, THE PATIENT IS REQUESTED TO APPLY. ASSISTANCE IS AVAILABLE TO HELP THE PATIENT WITH THE MEDICAID APPLICATION PROCESS.

## COMMUNITY INPUT

SCHEDULE H, PART V, SECTION B, LINE 3

ON A STATEWIDE BASIS, THE RESEARCH CONSULTANTS DEVELOPED AN ADVISORY COMMITTEE THAT MET TWO TIMES DURING THE ASSESSMENT RESEARCH AND DRAFTING OF THE PUBLICATION. THESE INDIVIDUALS REPRESENTED A BROAD SPECTRUM OF BACKGROUNDS, AND THEY ARE NAMED: CAROL BELL, HEALTHY MAINE PARTNERSHIP DIRECTOR; KELLY BENTLEY, HEALTHY MAINE PARTNERSHIP DIRECTOR, GAIL DANA-SACCO, WABANAKI CENTER (SERVING TRIBAL POPULATIONS); PATRICIA HART, MAINE DEVELOPMENT FOUNDATION; BARBARA LEONARD, MPH, MAINE HEALTH ACCESS FOUNDATION (PHILANTHROPIC FOUNDATION FOCUSED ON ACCESS TO CARE IN MAINE); BECCA MATUSOVICH, MAINE CENTER FOR DISEASE CONTROL; LISA MILLER, BINGHAM FOUNDATION (PHILANTHROPIC FOUNDATION); DORA ANN MILLS, MD, MAINE CENTER FOR DISEASE CONTROL; ELIZABETH MITCHELL, MAINE HEALTH MANAGEMENT COALITION (REPRESENTING THE STATE'S MAJOR EMPLOYERS, INSURERS AND

**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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PROVIDERS); TRISH RILEY, GOVERNOR'S OFFICE OF HEALTH POLICY AND FINANCE (GOHPF); BRIAN RINES, ADVISORY COMMITTEE FOR HEALTH SYSTEM DEVELOPMENT (OVERSEEN BY GOHPF); RACHEL TALBOT-ROSS, MAINE CHAPTER, NAACP; TED TRAINER, PUBLIC HEALTH COORDINATING COUNCIL; SHAWN YARDLEY, CITY OF BANGOR, DEPARTMENT OF HEALTH AND WELFARE. IN THE LOCAL AREA SERVED BY THE ASSESSMENT, MULTIPLE PARTIES WERE ENGAGED IN DISSEMINATION OF THE ASSESSMENT FINDINGS AND ESTABLISHMENT OF PRIORITIES.

IMPLEMENTATION STRATEGY

SCHEDULE H, PART V, SECTION B, LINE 6

IN RESPONSE TO THE RESULTS OF RUMFORD HOSPITAL'S MOST RECENTLY CONDUCTED COMMUNITY HEALTH NEEDS ASSESSMENT, THE ORGANIZATION ADOPTED AN IMPLEMENTATION STRATEGY. THE IMPLEMENTATION STRATEGY CAN BE FOUND AT THE FOLLOWING URL:

[HTTP://WWW.RUMFORDHOSPITAL.ORG/COMMUNITY-BENEFITS](http://www.rumfordhospital.org/community-benefits)

**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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## ADDRESSING IDENTIFIED NEEDS

SCHEDULE H, PART V, SECTION B, LINE 7

RUMFORD HOSPITAL IS NOT DIRECTLY ADDRESSING MENTAL HEALTH AS THIS IS WIDELY COVERED BY MENTAL HEALTH AGENCIES IMBEDDED WITHIN OUR PRIMARY CARE PRACTICES.

## OTHER METHODS USED TO PUBLICIZE THE FINANCIAL ASSISTANCE POLICY

SCHEDULE H, PART V, LINE 14G

THE FAP IS POSTED IN ALL OUTPATIENT DEPARTMENTS INCLUDING PROVIDER BASED PHYSICIANS' OFFICES, PATIENT FINANCIAL SERVICES, AND IS OFFERED TO ANY PATIENTS INDICATING A FINANCIAL NEED WHEN THEY CALL CUSTOMER SERVICE OR PRESENT THEMSELVES IN THE PATIENT FINANCIAL SERVICES DEPARTMENT.

## MAXIMUM AMOUNTS CHARGED TO FAP-ELIGIBLE INDIVIDUALS

SCHEDULE H, PART V, SECTION B, LINE 20D

FAP-ELIGIBLE PATIENTS ULTIMATELY RECEIVE FREE CARE. IF THE PATIENT HAS INSURANCE, THE INSURANCE COMPANY WOULD BE BILLED AND ONLY THE PATIENT

**Part VI Supplemental Information**

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

RESPONSIBILITY PORTION, UNDER THAT CARRIER'S CONTRACT, WOULD BE BILLED TO THE PATIENT. IF THE PATIENT IS UNINSURED, THE PATIENT WOULD BE BILLED WITH A 20% UNINSURED DISCOUNT FROM GROSS CHARGES. ONCE A PATIENT'S ELIGIBILITY IS CONFIRMED THROUGH THE FAP'S APPLICATION PROCESS, A FAP ADJUSTMENT WOULD BE APPLIED TO THE PATIENT'S ACCOUNT, BRINGING THE BALANCE TO ZERO.

## NEEDS ASSESSMENT

SCHEDULE H, PART VI, LINE 2

AS A CRITICAL ACCESS HOSPITAL, RUMFORD HOSPITAL ATTEMPTS TO PROVIDE ANY NEEDED HEALTH CARE SERVICES NECESSARY TO TREAT THE POPULATION OF THIS RURAL AREA OF MAINE. ADDITIONALLY, RUMFORD HOSPITAL FOCUSES ON STATE-WIDE INITIATIVES, SUCH AS HEART DISEASE AND DIABETES, AS WELL AS ORGANIZATIONAL INITIATIVES BASED ON NEEDS OBSERVED WITHIN ITS PATIENT POPULATION. MANY FORMS OF EDUCATION, PREVENTION AND EARLY DETECTION ARE ALSO PART OF ITS COMMUNITY HEALTH CARE PLAN.

**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.

PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE

SCHEDULE H, PART VI, LINE 3

RUMFORD HOSPITAL PROVIDES NOTICES ABOUT ITS FREE CARE POLICY IN ALL CLINICAL DEPARTMENTS AND MAJOR PATIENT AREAS. AN INPATIENT FINANCIAL COUNSELOR VISITS WITH ALL UNINSURED PATIENTS TO DISCUSS OPTIONS, INCLUDING GOVERNMENTAL PROGRAM ELIGIBILITY AND FREE CARE ASSISTANCE IS AVAILABLE TO HELP PATIENTS WITH COMPLETION OF MEDICAID APPLICATIONS. ALL PATIENT FINANCIAL SERVICES STAFF ARE TRAINED TO OFFER FREE CARE AS AN OPTION TO PATIENTS WHO INDICATE AN INABILITY OR DIFFICULTY IN PAYING FOR SERVICES. INFORMATION ABOUT FINANCIAL ASSISTANCE AVAILABILITY IS INCLUDED ON THE BACK OF EVERY PATIENT STATEMENT. ADDITIONALLY, UNINSURED PATIENTS RECEIVE A SEPARATE INFORMATION SHEET WITH THEIR STATEMENTS, FURTHER INFORMING THEM ABOUT THE AVAILABLE OPTIONS.

COMMUNITY INFORMATION

**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.

SCHEDULE H, PART VI, LINE 4

RUMFORD HOSPITAL, LOCATED IN RUMFORD, MAINE, SERVES CENTRAL OXFORD COUNTY ALONG THE WESTERN BORDER OF MAINE. A LIGHTLY POPULATED, RURAL AREA, THE REGION HAS A PRIMARILY CAUCASIAN POPULATION WITH 16% OF PERSONS AGED 65 OR OVER AND 14% OF THE POPULATION BELOW THE POVERTY LEVEL.

PROMOTION OF COMMUNITY HEALTH

SCHEDULE H, PART VI, LINE 5

RUMFORD HOSPITAL HAS AN OPEN MEDICAL STAFF, ALLOWING ANY NON-EMPLOYED OR AFFILIATED PHYSICIANS TO HAVE ADMITTING PRIVILEGES TO THE HOSPITAL. THE BOARD OF DIRECTORS IS MADE UP OF A MAJORITY OF LOCAL COMMUNITY MEMBERS ALONG WITH SOME REPRESENTATION BY DIRECTORS FROM CENTRAL MAINE HEALTHCARE, THE PARENT OF THE HEALTHCARE SYSTEM WHICH RUMFORD HOSPITAL BELONGS TO, HELPING TO BRING TOGETHER THE VISIONS OF THE LOCAL COMMUNITY WITH THE CAPABILITIES AND VISION OF THE SYSTEM AS A WHOLE FOR THE BENEFIT OF RUMFORD AND SURROUNDING COMMUNITIES.

**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.

## AFFILIATED HEALTH CARE SYSTEM

SCHEDULE H, PART VI, LINE 6

AS A MEMBER OF THE CENTRAL MAINE HEALTHCARE SYSTEM, RUMFORD HOSPITAL PROVIDES HIGH QUALITY HEALTH CARE IN A RURAL SETTING WITH LIMITED HEALTH CARE OPTIONS. ITS AFFILIATION WITH CENTRAL MAINE MEDICAL CENTER PROVIDES ACCESS TO A MUCH LARGER, TERTIARY CARE HOSPITAL, INCLUDING TRAUMA CARE, NEONATAL INTENSIVE CARE, AND A SPECIALIZED CARDIAC CARE UNIT. ADDITIONALLY, CENTRAL MAINE MEDICAL CENTER PROVIDES ACCESS TO SPECIALIST PHYSICIANS FOR OUTPATIENT CARE IN THE RUMFORD AREA ON A REGULAR SCHEDULE. THE SYSTEM PARENT, CENTRAL MAINE HEALTHCARE, PROVIDES STREAMLINED ADMINISTRATIVE FUNCTIONS AND BACKROOM SERVICES, ALLOWING RUMFORD HOSPITAL TO PERFORM AT A COST EFFICIENT LEVEL WHICH WOULD NORMALLY BE UNACHIEVABLE IN A SMALL, RURAL HOSPITAL, ALLOWING FOR BROADER RANGE OF SERVICES AVAILABLE.

**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

RUMFORD HOSPITAL

Employer identification number

01-0215227

**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 PETER E. CHALKE PRESIDENT OF CMHC	592,553.	0	1,227,104.	11,066.	5,260.	1,835,983.	1,186,628.
2 JACOB LEDESMA, M.D. PHYSICIAN	346,579.	41,040.	11,333.	6,250.	12,467.	417,669.	0
3 THOMAS DELUCA, M.D. PHYSICIAN	284,187.	35,009.	4,402.	6,365.	12,947.	342,910.	0
4 SAID DAUD, M.D. PHYSICIAN	257,955.	20,593.	11,204.	3,542.	16,967.	310,261.	0
5 JEFFREY LYNDS, M.D. PHYSICIAN	158,346.	160,322.	9,802.	6,250.	4,800.	339,520.	0
6 JOHN KROGER, M.D. DIVISION CHIEF	195,011.	0	3,134.	5,049.	12,947.	216,141.	0
7 R. DAVID FRUM PRESIDENT	259,024.	0	26,209.	27,115.	12,947.	325,295.	10,602.
8 LARRY HOPPERSTEAD, M.D. PHYSICIAN	347,690.	9,100.	8,172.	6,250.	12,943.	384,155.	0
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.

EXECUTIVE COMPENSATION

SCHEDULE J, PART I, LINE 3

THE COMPENSATION OF THE ORGANIZATION'S PRESIDENT IS DETERMINED BY THE

PARENT CORPORATION'S BOARD OF DIRECTORS' EXECUTIVE COMPENSATION COMMITTEE

USING THE FOLLOWING:

-COMPENSATION COMMITTEE

-INDEPENDENT COMPENSATION CONSULTANT

-COMPENSATION SURVEY OR STUDY

-APPROVAL BY THE BOARD OR COMPENSATION COMMITTEE

SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN

SCHEDULE J, PART I, LINE 4B

A PARTICIPANT'S ENTITLEMENT TO BENEFITS WILL VEST ON THE PARTICIPANT'S

VESTING DATE PROVIDED THE PARTICIPANT HAS REMAINED IN CONTINUOUS

EMPLOYMENT IN THE SAME POSITION WHILE PARTICIPATING IN THIS PLAN. A

PARTICIPANT WILL HAVE ONLY ONE VESTING DATE FOR ALL ELECTIVE DEFERRALS

AND OTHER PLAN CONTRIBUTIONS MADE ON THE PARTICIPANT'S BEHALF DURING ALL

PLAN YEARS.

**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.

A PARTICIPANT'S ENTITLEMENT TO BENEFITS WILL ALSO VEST (A) IF THE PARTICIPANT DIES WHILE STILL EMPLOYED BY THE EMPLOYER, (B) IF THE PARTICIPANT'S EMPLOYMENT TERMINATES DUE TO TOTAL DISABILITY, OR (C) IF THE EMPLOYER TERMINATES THE PARTICIPANT'S EMPLOYMENT FOR ANY REASON OTHER THAN FOR "CAUSE". ANY PORTION OF THE PARTICIPANT'S ENTITLEMENT BENEFITS THAT IS NOT VESTED WHEN THE PARTICIPANT'S EMPLOYMENT WITH THE EMPLOYER TERMINATES, INCLUDING ELECTIVE DEFERRALS, WILL BE FORFEITED. THE EMPLOYER WILL DISTRIBUTE A PARTICIPANT'S BENEFITS UNDER THE PLAN AS SOON AS PRACTICABLE AFTER THE PARTICIPANT'S ENTITLEMENT BECOMES VESTED.

THE FOLLOWING INDIVIDUALS PARTICIPATED IN A SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN THROUGH CENTRAL MAINE HEALTHCARE CORPORATION, A RELATED ENTITY.

- \$ 21,000 R. DAVID FRUM (DEFERRAL)
- 10,602 R. DAVID FRUM (PAYOUT)
- 1,186,628 PETER CHALKE (PAYOUT)

**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.

COMPENSATION REPORTED IN PRIOR FORM 990

SCHEDULE J, PART II, COLUMN F

COMPENSATION IS REPORTED ON THE FORM 990 IN THE YEAR THAT THE

COMPENSATION IS EARNED BY OR AWARDED TO AN INDIVIDUAL, EVEN IF THE

COMPENSATION IS NOT PAID TO THE INDIVIDUAL, IS NOT FULLY VESTED, OR IS

SUBJECT TO SUBSTANTIAL RISK OF FORFEITURE. IF COMPENSATION IS EARNED OR

AWARDED IN ONE YEAR BUT PAID IN A LATER YEAR, THEN THE COMPENSATION IS

REPORTED A SECOND TIME ON THE FORM 990 IN THE YEAR THE COMPENSATION IS

VESTED OR PAID TO THE INDIVIDUAL.

**SCHEDULE L**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Transactions With Interested Persons**

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

OMB No. 1545-0047

**2012**

**Open To Public  
Inspection**

Name of the organization

RUMFORD HOSPITAL

Employer identification number

01-0215227

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

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

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

- 2 Enter the amount of tax incurred by the organization managers or disqualified persons during the year under section 4958 . . . . . ▶ \$ \_\_\_\_\_
- 3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization . . . . . ▶ \$ \_\_\_\_\_

**Part II Loans to and/or From Interested Persons.**

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

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization?		(e) Original principal amount	(f) Balance due	(g) In default?		(h) Approved by board or committee?		(i) Written agreement?	
			To	From			Yes	No	Yes	No	Yes	No
			(1) JEFFREY LYNDS	EMPLOYEE			ADVANCE		X	25,000.	16,106.	
(2)												
(3)												
(4)												
(5)												
(6)												
(7)												
(8)												
(9)												
(10)												
<b>Total</b> . . . . . ▶ \$						16,106.						

**Part III Grants or Assistance Benefiting Interested Persons.**

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

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

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

Schedule L (Form 990 or 990-EZ) 2012

**Part IV Business Transactions Involving Interested Persons.**

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					
(7)					
(8)					
(9)					
(10)					

**Part V Supplemental Information**

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

**SCHEDULE O**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990 or 990-EZ**

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

OMB No. 1545-0047

**2012**

**Open to Public  
Inspection**

Name of the organization

RUMFORD HOSPITAL

Employer identification number

01-0215227

MEMBERS OR STOCKHOLDERS

FORM 990, PART VI, SECTION A, LINES 6, 7A AND 7B

THE MEMBER OF THE CORPORATION SHALL BE CENTRAL MAINE HEALTHCARE CORPORATION, A CORPORATION DULY ORGANIZED UNDER THE LAWS OF THE STATE OF MAINE.

THE MEMBER SHALL HAVE THE RIGHT TO (A) APPROVE THE ELECTION OF MEMBERS OF THE BOARD OF DIRECTORS, (B) REMOVE MEMBERS OF THE BOARD OF DIRECTORS, AND (C) APPROVE CERTAIN DECISIONS OF THE BOARD OF DIRECTORS, AS DETAILED IN THE BYLAWS OF THE CORPORATION. THERE SHALL BE NINE (9) DIRECTORS OF THE CORPORATION WHO SHALL BE ENTITLED TO VOTE ONE (1) OF THE NINE (9) VOTING DIRECTORS SHALL BE APPOINTED BY THE MEMBER, AND THE BALANCE OF VOTING DIRECTORS SHALL BE ELECTED BY THE BOARD OF DIRECTORS.

FORM 990 REVIEW PROCESS

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

ALL AFFILIATED FORM 990'S AND APPLICABLE SCHEDULES ARE PREPARED BY AN INDEPENDENT PUBLIC ACCOUNTING FIRM IN COOPERATION WITH THE FINANCE DEPARTMENT. THE COMPLETED RETURNS ARE REVIEWED WITH THE DIRECTOR OF FINANCE THEN WITH THE CFO FOLLOWING THAT REVIEW; THEY ARE PRESENTED TO THE FINANCE COMMITTEE OF THE CENTRAL MAINE HEALTHCARE BOARD OF DIRECTORS, WHICH HAS REPRESENTATIVES FROM ALL AFFILIATED BOARDS. ONCE THIS REVIEW IS COMPLETED, ANY NECESSARY CHANGES ARE MADE AND THE FINAL RETURN IS PRESENTED TO ITS RESPECTIVE BOARD WITH THE FINANCE COMMITTEE MEMBER

Name of the organization

RUMFORD HOSPITAL

Employer identification number

01-0215227

TAKING AND ANSWERING QUESTIONS. A FINANCE DEPARTMENT REPRESENTATIVE, KNOWLEDGEABLE OF THE RETURN, IS AVAILABLE TO ASSIST DURING PRESENTATIONS, IF REQUESTED BY THE FINANCE COMMITTEE MEMBER. IN THE EVENT THAT THE NEXT BOARD MEETING IS NOT SCHEDULED UNTIL AFTER THE FILING DATE, THE FINAL RETURN IS MAILED TO ALL BOARD MEMBERS AND THE PRESENTATION OCCURS AT THE NEXT SCHEDULED BOARD MEETING.

MONITORING COMPLIANCE WITH CONFLICT OF INTEREST POLICY

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

OFFICERS AND DIRECTORS COMPLETE AN ANNUAL CONFLICT OF INTEREST STATEMENT WHICH IS REVIEWED BY THE CHAIRMAN OF THE BOARD AND CONFORMS TO THE CONDITIONS CONTAINED WITHIN THE CORPORATION'S BYLAWS, WHICH MEET OR EXCEED THE CURRENT IRS REPORTING THRESHOLDS. IN AREAS OF CONFLICT BY THE CHAIRMAN, THE VICE-CHAIRMAN REVIEWS.

ADDITIONALLY, AS PART OF THE ANNUAL FORM 990 PREPARATION PROCESS, A SEPARATE QUESTIONNAIRE IS PROVIDED, WHICH INCLUDES DISTRIBUTION TO KEY EMPLOYEES, COVERING REPORTING AREAS OF LOANS, GRANTS, BUSINESS RELATIONSHIPS, AND OTHER CONFLICTS. THESE QUESTIONNAIRES ARE REVIEWED BY THE FINANCE DEPARTMENT FOR REPORTABLE ITEMS FOR THE FORM 990.

IN THE CASE OF A POSSIBLE CONFLICT, THE BOARD WOULD REVIEW THE SITUATION AND TAKE ACTIONS DEEMED APPROPRIATE FOR THE POSSIBLE OR ACTUAL CONFLICTS OF MEMBERS OF THE BOARD OR THE EXECUTIVE OFFICERS. IN THE CASE OF KEY EMPLOYEES, THE REVIEW AND ACTIONS TAKEN WOULD BE PERFORMED BY THEIR DIRECT SUPERVISOR.

Name of the organization

RUMFORD HOSPITAL

Employer identification number

01-0215227

## EXECUTIVE COMPENSATION REVIEW

FORM 990, PART VI, SECTION B, LINES 15A &amp; 15B

A STANDING EXECUTIVE COMPENSATION COMMITTEE (ECC), COMPRISED OF INDEPENDENT MEMBERS OF BOARD LEADERSHIP, EXISTS TO UNDERTAKE THE PROCESS OF DETERMINING COMPENSATION FOR THE CHIEF EXECUTIVE OFFICER, CHIEF FINANCIAL OFFICER, CHIEF MEDICAL OFFICER, PRESIDENT OF CENTRAL MAINE MEDICAL CENTER, PHYSICIAN PRACTICE EXECUTIVE, AND PRESIDENT OF RUMFORD AND BRIDGTON HOSPITALS.

THE PROCESS GUIDELINES AND AUTHORITY OF THE ECC ARE SET OUT IN THE EXECUTIVE COMPENSATION PHILOSOPHY AND RESPONSIBILITIES CHARTER WHICH WAS APPROVED BY THE CMHC BOARD. THE ENTIRE CMHC BOARD PARTICIPATES IN THE ANNUAL PERFORMANCE EVALUATION OF EACH EXECUTIVE, INCLUDING A REVIEW OF ACCOMPLISHMENTS RELATIVE TO GOALS AND OBJECTIVES DERIVED FROM THE STRATEGIC PLAN. THE ECC REVIEWS THE RESULTS OF THE ANNUAL PERFORMANCE EVALUATION AND APPROPRIATE COMPARABILITY DATA BASED ON SEVERAL FACTORS RECOMMENDED BY AN INDEPENDENT EXECUTIVE COMPENSATION CONSULTANT, WHO SPECIALIZES IN NOT-FOR-PROFIT HOSPITALS AND HEALTH SYSTEMS, AND OUR ATTORNEYS. FACTORS USED IN DETERMINING COMPARABILITY TO THE ORGANIZATION INCLUDE SIZE, GEOGRAPHY, ORGANIZATIONAL COMPLEXITY, FACILITY TYPE, OWNERSHIP TYPE, AND ANY OTHER FACTORS DEEMED RELEVANT BY THE COMMITTEE, ITS CONSULTANTS, OR ITS ATTORNEYS.

USING THIS INFORMATION, THE ECC ANNUALLY REVIEWS THE EXECUTIVES' COMPENSATION TO DETERMINE IF MODIFICATION TO BASE SALARY IS WARRANTED, AND REVIEWS THE EXECUTIVES' ACCOMPLISHMENTS TO DETERMINE IF ANY VARIABLE

Name of the organization

RUMFORD HOSPITAL

Employer identification number

01-0215227

PAY IS TO BE AWARDED. THE ENTIRE PROCESS IS THEN DOCUMENTED CONTEMPORANEOUSLY WITH THE DECISION-MAKING PROCESS AND APPROVED THEREAFTER IN ACCORDANCE WITH THE REQUIREMENTS OF THE IRS.

THE COMPENSATION PAID TO KEY EMPLOYEES IS REVIEWED BY THE VICE PRESIDENT OF HUMAN RESOURCES AND ORGANIZATIONAL DEVELOPMENT. DURING THE REVIEW PROCESS, THE CENTRAL MAINE HEALTHCARE COMPENSATION MANAGER PROVIDES MARKET DATA ON COMPARABLE POSITIONS FROM COMPARATIVE GROUPS OF HEALTHCARE ORGANIZATIONS THAT ARE APPROPRIATELY SIMILAR IN TERMS OF THEIR REVENUE, GEOGRAPHIC LOCATION, NUMBER OF EMPLOYEES, NUMBER OF STAFFED HOSPITAL BEDS, ETC. HUMAN RESOURCES PROVIDES AT A MINIMUM FOUR SETS OF COMPARABILITY DATA FROM THE MOST RECENT NATIONAL HEALTHCARE SPECIFIC COMPENSATION SURVEYS (E. G. WATSON & WYATT, SULLIVAN & COTTER, THE HAY GROUP, MERCER, ETC) FOR REFERENCE. THESE SURVEYS REPORT PAY RATE DATA THAT IS TYPICALLY AGED LESS THAN 6 MONTHS. CENTRAL MAINE HEALTHCARE AND AFFILIATES STRIVE TO PAY AT THE MARKET AVERAGE OR SLIGHTLY ABOVE IT FOR KEY EMPLOYEES. ONCE THE COMPENSATION MANAGER AND THE VICE PRESIDENT OF HUMAN RESOURCES AND ORGANIZATIONAL DEVELOPMENT HAVE FINALIZED RECOMMENDATIONS BASED ON THIS EMPIRICAL DATA, THEY ARE PRESENTED TO THE PRESIDENTS OF EACH HOSPITAL THAT SUPERVISE THE KEY EMPLOYEES, AND THE CEO OF CENTRAL MAINE HEALTHCARE, FOR REVIEW, EDITS, AND APPROVAL. THIS PROCESS TYPICALLY OCCURS DURING THE LAST MONTH OF THE FISCAL YEAR IN PREPARATION FOR THE NEXT FISCAL YEAR CENTRAL MAINE HEALTHCARE DOCUMENTS THE BASIS FOR ITS DETERMINATION OF KEY EMPLOYEES' COMPENSATION AND MAINTAINS THIS CONTEMPORANEOUSLY SUBSTANTIATED MATERIAL IN THE HUMAN

Name of the organization

RUMFORD HOSPITAL

Employer identification number

01-0215227

RESOURCES DEPARTMENT.

PUBLIC DISCLOSURE

FORM 990, PART VI, SECTION C, LINE 19

THE ORGANIZATION'S GOVERNING DOCUMENTS AND CONFLICT OF INTEREST POLICY ARE AVAILABLE UPON REQUEST IN THE ORGANIZATION'S ADMINISTRATIVE OFFICES. THE FINANCIAL STATEMENTS OF THE ORGANIZATION ARE INCLUDED IN THE MOST RECENTLY FILED FORM 990 AND PROVIDED, UPON REQUEST, IN THAT FORMAT UNLESS THE SPECIFIC REQUEST DEEMS A DIFFERENT FORMAT MORE APPROPRIATE.

BOARD MEMBER COMPENSATION

FORM 990, PART VII, SECTION A, COLUMN B

NO BOARD MEMBERS RECEIVE COMPENSATION FOR THEIR DUTIES AS DIRECTORS. PETER CHALKE IS EMPLOYED AS PRESIDENT OF CENTRAL MAINE HEALTHCARE CORPORATION. HIS COMPENSATED TIME IS SPENT IN THAT CAPACITY.

OTHER FEES FOR SERVICES

FORM 990, PART IX, LINE 11G

\$ 3,680,312 PURCHASED LABOR  
 1,883,702 LABOR SERVICES  
 1,070,918 OUTSIDE SERVICES  
 604,001 PURCHASED SERVICES  
 13,351 INTERPRETING SERVICES  
 8,515 CONSULTING SERVICES  
 3,431 PROFESSIONAL FEES

-----

Name of the organization

RUMFORD HOSPITAL

Employer identification number

01-0215227

\$ 7,264,230

OTHER CHANGES IN NET ASSETS

FORM 990, PART XI, LINE 9

\$ (836) CHANGE IN BENEFICIAL INTEREST OF PERPETUAL TRUST

**SCHEDULE R  
(Form 990)**

**Related Organizations and Unrelated Partnerships**

**2012**

Department of the Treasury  
Internal Revenue Service

► 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.

Open to Public  
Inspection

Name of the organization

RUMFORD HOSPITAL  
Employer identification number  
01-0215227

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

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

(1)	(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)	CENTRAL MAINE COMMUNITY HEALTH CORP LEWISTON, ME 04243 P.O. BOX 4500 01-0386912	PUBLIC ED	ME	501(C)(3)	7	CMHC		X
(2)	CENTRAL MAINE MEDICAL CENTER LEWISTON, ME 04243 P.O. BOX 4500 01-0211494	HEALTHCARE	ME	501(C)(3)	3	CMHC		X
(3)	CMC COLLEGE OF NURSING & HEALTH PROF. LEWISTON, ME 04243 P.O. BOX 4500 01-0356077	EDUCATION	MH	501(C)(3)	2	CMMC		X
(4)	CENTRAL MAINE REAL ESTATE MGMT CORP. LEWISTON, ME 04243 P.O. BOX 4500 01-0387674	REAL ESTATE	ME	501(C)(2)		CMHC		X
(5)	CENTRAL MAINE HEALTHCARE CORPORATION LEWISTON, ME 04243 P.O. BOX 4500 01-0386913	HEALTHCARE	ME	501(C)(3)	11 B II	N/A		X
(6)	RUMFORD COMMUNITY FAMILY HEALTH CENTER 430 FRANKLIN STREET RUMFORD, ME 04276 01-0481000	HEALTHCARE	ME	501(C)(3)	3	CMHC		X
(7)	RUMFORD COMMUNITY HOME CORPORATION 11 JOHN F. KENNEDY LANE RUMFORD, ME 04276 22-2844951	NURSING HOME	ME	501(C)(3)	9	CMHC		X

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

Schedule R (Form 990) 2012

**SCHEDULE R**  
**(Form 990)**

**Related Organizations and Unrelated Partnerships**

**2012**

Department of the Treasury  
Internal Revenue Service

▶ 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.

Open to Public Inspection

Name of the organization

RUMFORD HOSPITAL

Employer identification number

01-0215227

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

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

(1)	(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)	BRIDGTON HOSPITAL 10 HOSPITAL DRIVE BRIDGTON, ME 04009 01-0130427	HEALTHCARE	ME	501 (C) (3)	3	CMHC		X
(2)	BRIDGTON HOSPITAL PHYSICIANS GROUP SOUTH HIGH STREET BRIDGTON, ME 04009 01-0493083	HEALTHCARE	ME	501 (C) (3)	9	CMHC		X
(3)	CENTRAL MAINE HEART AND VASCULAR INST. 300 MAINE STREET LEWISTON, ME 04240 54-2078282	HEALTHCARE	ME	501 (C) (3)	9	CMHC		X
(4)	ELIAS E. TUCKER TRUST FUND C/O CMHC, 300 MAIN STREET LEWISTON, ME 04240 01-0493083	NURSING ED	ME	501 (C) (3)	11 A I	CMHC		X
(5)	-----	-----	-----	-----	-----	-----	-----	-----
(6)	-----	-----	-----	-----	-----	-----	-----	-----
(7)	-----	-----	-----	-----	-----	-----	-----	-----

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

Schedule R (Form 990) 2012

**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) CENTRAL MAINE HEALTH VENTURES, INC. 300 MAINE STREET LEWISTON, ME 04240 01-0430016	HEALTHCARE	ME	CMHC	C CORP					
(2) CHM INSURANCE LTD. GENESIS BUILDING P.O. BOX 1363 GRAND CAYMAN, B.W.I. CY 98-0220921	INSURANCE	CY	CMHC	C CORP					X
(3) _____									
(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 (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.

Table with 4 columns: (a) Name of other organization, (b) Transaction type (e-s), (c) Amount involved, (d) Method of determining amount involved. Includes rows 1-6.

**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).

# **Central Maine Healthcare Corporation and Subsidiaries**

**Independent Auditor's Report and Consolidated Financial  
Statements**

**June 30, 2013 and 2012**

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**Central Maine Healthcare Corporation  
and Subsidiaries  
June 30, 2013 and 2012**

**Contents**

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**Supplementary Information**

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## Independent Auditor's Report

Board of Directors  
Central Maine Healthcare Corporation and Subsidiaries  
Lewiston, Maine

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

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with 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 did not audit the financial statements of CWM Insurance, Ltd., a wholly-owned subsidiary, which statements reflect total assets constituting 8 percent and 9 percent, respectively, of consolidated total assets at June 30, 2013 and 2012, and total revenues constituting 2 percent and 3 percent, respectively, of consolidated total revenues for the years then ended. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for CWM Insurance, Ltd., is based solely on the report of the other auditors. 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, based on our audit and the report of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Central Maine Healthcare Corporation and Subsidiaries as of June 30, 2013 and 2012, 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 Matter***

As discussed in *Note 21*, in 2013 the Corporation changed its method of presentation and disclosure of patient service revenues, 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.

***Supplementary Information***

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

**BKD, LLP**

December 20, 2013  
Springfield, Missouri

**Central Maine Healthcare Corporation  
and Subsidiaries**  
**Consolidated Balance Sheets**  
**June 30, 2013 and 2012**

**Assets**

	<u>2013</u>	<u>2012</u>
<b>Current Assets</b>		
Cash and cash equivalents	\$ 10,270,111	\$ 27,308,135
Assets limited as to use - current	16,146,865	11,074,209
Patient accounts receivable, net of allowance; 2013 - \$31,100,000; 2012 - \$39,805,000	42,957,442	43,689,462
Short-term investments	12,958,020	15,983,490
Estimated amounts due from third-party payers - current	36,100,833	13,177,912
Supplies	2,775,791	3,125,520
Prepaid expenses and other	<u>16,391,309</u>	<u>11,402,362</u>
<b>Total current assets</b>	<u>137,600,371</u>	<u>125,761,090</u>
<b>Assets Limited As To Use</b>		
Internally designated	27,932,676	25,570,765
Externally restricted by donors	30,415,682	26,764,891
Held by trustee under bond indenture agreements	14,834,584	17,424,208
Held by trustee for self-insurance trust	<u>36,875,677</u>	<u>24,648,137</u>
	110,058,619	94,408,001
Less amount required to meet current obligations	<u>16,146,865</u>	<u>11,074,209</u>
	<u>93,911,754</u>	<u>83,333,792</u>
<b>Property and Equipment, Net</b>	<u>204,808,893</u>	<u>209,352,726</u>
<b>Other Assets</b>		
Estimated amounts due from third-party payers	5,079,209	36,000,077
Deferred compensation plan assets	26,661,280	25,151,715
Investment in equity investees	7,385,117	7,254,398
Notes receivable	4,368,117	4,790,969
Other	<u>11,867,022</u>	<u>10,951,255</u>
	<u>55,360,745</u>	<u>84,148,414</u>
<b>Total assets</b>	<u>\$ 491,681,763</u>	<u>\$ 502,596,022</u>

## Liabilities and Net Assets

	<u>2013</u>	<u>2012</u>
<b>Current Liabilities</b>		
Line of credit - current portion	\$ 10,342,598	\$ -
Current maturities of long-term debt	6,048,619	6,612,369
Accounts payable	15,903,841	12,646,246
Accrued expenses	<u>25,044,483</u>	<u>28,064,280</u>
Total current liabilities	57,339,541	47,322,895
<b>Estimated Self-Insurance Costs</b>	17,802,977	16,314,916
<b>Line of Credit</b>	-	17,428,260
<b>Long-Term Debt</b>	139,101,095	145,917,661
<b>Pension Liabilities</b>	39,867,244	49,589,583
<b>Asset Retirement Obligations</b>	2,939,284	2,829,879
<b>Other Long-Term Liabilities</b>	<u>10,205,698</u>	<u>8,551,115</u>
Total liabilities	<u>267,255,839</u>	<u>287,954,309</u>
<b>Net Assets</b>		
Unrestricted	195,278,487	186,655,242
Temporarily restricted	9,469,267	9,353,451
Permanently restricted	<u>19,678,170</u>	<u>18,633,020</u>
Total net assets	<u>224,425,924</u>	<u>214,641,713</u>
Total liabilities and net assets	<u>\$ 491,681,763</u>	<u>\$ 502,596,022</u>

# Central Maine Healthcare Corporation and Subsidiaries

## Consolidated Statements of Operations Years Ended June 30, 2013 and 2012

	2013	2012 (Adjusted - Note 21)
<b>Unrestricted Revenues, Gains and Other Support</b>		
Patient service revenue (net of contractual discounts and allowances)	\$ 395,401,120	\$ 404,474,901
Provision for uncollectible accounts	32,736,092	35,088,802
Net patient service revenue less provision for uncollectible accounts	362,665,028	369,386,099
Other revenue	22,937,915	19,349,222
Net assets released from restrictions used for operations	1,948,440	1,626,049
Total unrestricted revenues, gains and other support	387,551,383	390,361,370
<b>Expenses and Losses</b>		
Salaries, wages and employee benefits	240,407,407	238,632,919
Supplies and other	126,100,744	119,524,258
Depreciation and amortization	24,369,613	24,230,062
Interest	6,870,999	4,217,582
Total expenses and losses	397,748,763	386,604,821
<b>Operating Income (Loss)</b>	(10,197,380)	3,756,549
<b>Other Income (Expense)</b>		
Investment return	1,469,559	1,668,564
Realized gains on sale of investments	2,700,074	2,308,482
Change in unrealized gains (losses) on investments	(290,605)	(3,130,284)
Gain on investment in equity investees	1,686,686	1,892,158
Loss on debt extinguishment	(587,465)	-
Other	1,139,497	(473,730)
Total other income (expense)	6,117,746	2,265,190
<b>Excess (Deficiency) of Revenues Over Expenses</b>	(4,079,634)	6,021,739
Net assets released from restriction used for purchase of property and equipment	1,200,095	10,500
Grant funds used for acquisition of property and equipment	171,717	163,399
Change in defined benefit pension plan gains and losses	11,331,067	(30,315,568)
<b>Increase (Decrease) in Unrestricted Net Assets</b>	\$ 8,623,245	\$ (24,119,930)

**Central Maine Healthcare Corporation  
and Subsidiaries**  
**Consolidated Statements of Changes in Net Assets**  
**Years Ended June 30, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
<b>Unrestricted Net Assets</b>		
Excess (deficiency) of revenues over expenses	\$ (4,079,634)	\$ 6,021,739
Net assets released from restriction used for purchase of property and equipment	1,200,095	10,500
Grant funds used for acquisition of property and equipment	171,717	163,399
Change in defined benefit pension plan gains and losses	<u>11,331,067</u>	<u>(30,315,568)</u>
Increase (decrease) in unrestricted net assets	<u>8,623,245</u>	<u>(24,119,930)</u>
<b>Temporarily Restricted Net Assets</b>		
Contributions received	2,741,642	2,394,020
Investment return	1,272,709	(378,979)
Change in donor designation	(750,000)	-
Net assets released from restriction	<u>(3,148,535)</u>	<u>(1,636,549)</u>
Increase in temporarily restricted net assets	<u>115,816</u>	<u>378,492</u>
<b>Permanently Restricted Net Assets</b>		
Contributions received	218,245	686,077
Change in beneficial interest in perpetual trusts	76,905	(73,830)
Change in donor designation	<u>750,000</u>	<u>-</u>
Increase in permanently restricted net assets	<u>1,045,150</u>	<u>612,247</u>
<b>Change in Net Assets</b>	9,784,211	(23,129,191)
<b>Net Assets, Beginning of Year</b>	<u>214,641,713</u>	<u>237,770,904</u>
<b>Net Assets, End of Year</b>	<u>\$ 224,425,924</u>	<u>\$ 214,641,713</u>

# Central Maine Healthcare Corporation and Subsidiaries

## Consolidated Statements of Cash Flows Years Ended June 30, 2013 and 2012

	2013	2012
<b>Operating Activities</b>		
Change in net assets	\$ 9,784,211	\$ (23,129,191)
Items not requiring (providing) operating cash flow		
Gain on sale of property and equipment	(9,367)	(94,261)
Depreciation and amortization	24,369,613	24,230,062
Gain on investment in equity investee	(1,686,686)	(1,892,158)
(Gain) loss on investments	(3,548,772)	1,461,642
Restricted contributions, grants and investment income received	(4,481,218)	(2,790,687)
Accrued self-insurance costs	1,540,452	(637,222)
Accrued deferred compensation costs	145,018	(863,556)
Change in defined benefit pension plans	(11,331,067)	30,315,568
Loss on extinguishment of debt	587,465	-
Changes in		
Patient accounts receivable	732,020	2,299,013
Estimated amounts due from and to third-party payers	7,997,947	(9,596,526)
Accounts payable and accrued expenses	3,127,765	(7,743,273)
Other current assets and liabilities	(5,395,722)	1,841,476
Net cash provided by operating activities	21,831,659	13,400,887
<b>Investing Activities</b>		
Investment in equity investee	(5,000)	(950,000)
Purchases of investments	(60,492,455)	(36,822,805)
Sales of investments	51,416,079	51,998,702
Dividends and return of equity from equity investees	1,560,967	1,270,407
Purchases of property and equipment	(20,441,371)	(22,467,018)
Proceeds from sale of property and equipment	6,945	103,662
Net cash used in investing activities	(27,954,835)	(6,867,052)

# Central Maine Healthcare Corporation and Subsidiaries

## Consolidated Statements of Cash Flows Years Ended June 30, 2013 and 2012

	2013	2012
<b>Financing Activities</b>		
Restricted contributions, grants and investment income	\$ 4,481,218	\$ 2,790,687
Proceeds from issuance of long-term debt	41,071,242	-
Payment of deferred financing costs	(320,082)	-
Proceeds from line of credit	-	4,762,790
Payments on line of credit	(7,085,662)	(2,232,059)
Principal payments on long-term debt	(49,061,564)	(7,030,049)
Net used in financing activities	(10,914,848)	(1,708,631)
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	(17,038,024)	4,825,204
<b>Cash and Cash Equivalents, Beginning of Year</b>	27,308,135	22,482,931
<b>Cash and Cash Equivalents, End of Year</b>	\$ 10,270,111	\$ 27,308,135
<b>Supplemental Cash Flows Information</b>		
Interest paid (net of amount capitalized)	\$ 6,704,713	\$ 4,353,675
Property and equipment in accounts payable	\$ 1,601,155	\$ 2,825,380
Capital lease obligation incurred for property and equipment	\$ 606,212	\$ -
Capital lease obligation incurred for new information technology system	\$ -	\$ 16,379,543

**Central Maine Healthcare Corporation  
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**Notes to Consolidated Financial Statements**  
**June 30, 2013 and 2012**

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

***Nature of Operations***

Central Maine Healthcare Corporation (CMHC), a not-for-profit entity, coordinates, plans and provides a broad range of integrated healthcare services to meet the healthcare needs of the people of the Central and Western Maine region including inpatient, outpatient and emergency care services.

CMHC is the parent company of Central Maine Medical Center (CMMC or the "Medical Center"), Central Maine Health Ventures, Inc. (CMHV), Central Maine Community Health Corporation, Central Maine Real Estate Management Corporation, CWM Insurance, Ltd. (CWM), Rumford Hospital, Rumford Community Home Corporation, Rumford Community Family Health Center, Inc. (Rumford) and Bridgton Hospital (Bridgton).

CMMC, Rumford and Bridgton primarily earn revenues by providing inpatient, outpatient and emergency care services to patients in the Central and Western Maine region.

CMHV, Rumford Community Home Corporation, Rumford Community Family Health Center, Inc. and Central Maine Community Health Corporation provide a variety of services including long-term care, imaging and other clinical services to patients in the Central and Western Maine region.

Central Maine Real Estate Management Corporation manages rental property for physicians in the Central and Western Maine region.

CWM is a captive insurance company, incorporated in the Cayman Islands, that provides professional and general liability for CMHC and its subsidiaries.

***Principles of Consolidation***

The accompanying consolidated financial statements include the accounts of CMHC and its wholly owned subsidiaries (collectively the "Corporation"). 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.

**Central Maine Healthcare Corporation  
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***Cash Equivalents***

The Corporation considers all liquid investments with original maturities of three months or less to be cash equivalents. At June 30, 2013 and 2012, cash equivalents consisted primarily of money market accounts and short-term government obligations.

The FDIC's insurance limits were permanently increased to \$250,000. At June 30, 2013, the Corporation's cash accounts exceeded federally insured limits by approximately \$8,310,000.

Additionally, the Corporation has entered into an agreement with a local financial institution to purchase fully collateralized U.S. government securities with the Corporation's sweep accounts. At June 30, 2013 and 2012, the amount held in sweep and money market accounts was approximately \$8,340,000 and \$11,760,000, respectively.

***Investments and Investment Return***

Investments in equity securities having a readily determinable fair value and in all debt securities are carried at fair value. The investments in equity investees are reported on the equity method of accounting. Other investments are valued at the lower of cost (or fair value at time of donation, if acquired by contribution) or fair value. Investment return includes dividend, interest and other investment income; realized and unrealized gains and losses on investments carried at fair value; and realized gains and losses on other investments.

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, temporarily restricted or permanently restricted based upon the existence and nature of any donor or legally imposed restrictions.

Certain investments are carried at fair value pursuant to the fair value option available under FASB ASC Topic 825 (*Note 17*).

***Assets Limited As To Use***

Assets limited as to use include (1) assets held by trustees under bond indenture agreements and for self-insurance, (2) assets restricted by donors and (3) assets set aside by the Board of Directors for future capital improvements over which the Board retains control and may at its discretion subsequently use for other purposes. Amounts required to meet current liabilities of the Corporation are included in current assets.

**Central Maine Healthcare Corporation  
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***Patient Accounts Receivable***

Accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectibility of accounts receivable, the Corporation 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 Corporation 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 Hospital 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 Corporation's allowance for doubtful accounts for self-pay patients decreased from 82% of self-pay accounts receivable at June 30, 2012, to 80% of self-pay accounts receivable at June 30, 2013. In addition, the Corporation's write-offs increased approximately \$16,500,000 from approximately \$43,500,000 for the year ended June 30, 2012, to approximately \$60,000,000 for the year ended June 30, 2013. The increase in write offs was the result of the Corporation's efforts related to older accounts receivable balances.

***Supplies***

The Corporation 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 on a straight-line basis 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.

# Central Maine Healthcare Corporation and Subsidiaries

## Notes to Consolidated Financial Statements June 30, 2013 and 2012

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.

The Corporation capitalizes interest costs as a component of construction in progress, based on interest costs of borrowing specifically for the project, net of interest earned on investments acquired with the proceeds of the borrowing. Total interest capitalized and incurred was:

	2013	2012
Total interest expense incurred on borrowings for project	\$ 83,530	\$ 2,820,362
Interest income from investment of proceeds of borrowings for project	-	(132,792)
Net interest cost capitalized	\$ 83,530	\$ 2,687,570
Interest capitalized	\$ 83,530	\$ 2,820,362
Interest charged to expense	6,870,999	4,217,582
Total interest incurred	\$ 6,954,529	\$ 7,037,944

### ***Long-Lived Asset Impairment***

The Corporation 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 assets 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 June 30, 2013 and 2012.

### ***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.

# **Central Maine Healthcare Corporation and Subsidiaries**

## **Notes to Consolidated Financial Statements June 30, 2013 and 2012**

### ***Temporarily and Permanently Restricted Net Assets***

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

### ***Net Patient Service Revenue***

The Corporation has agreements with third-party payers that provide for payments to the Corporation 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 Corporation provides care without charge or at amounts less than its established rates to patients meeting certain criteria under its charity care policy. Because the Corporation 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.

# Central Maine Healthcare Corporation and Subsidiaries

## Notes to Consolidated Financial Statements June 30, 2013 and 2012

### ***Estimated Malpractice Costs***

An annual estimated provision is accrued for the medical malpractice claims and includes an estimate of the ultimate costs for both reported claims and claims incurred but not reported.

### ***Income Taxes***

CMHC, CMMC, Central Maine Community Health Corporation, Central Maine Real Estate Management Corporation, Rumford Hospital, Rumford Community Home Corporation, Rumford Community Family Health Center, Inc. and Bridgton Hospital, are classified as tax-exempt organizations as described in Section 501 of the Internal Revenue Code and a similar provision of state law. However, these entities are subject to federal income tax on any unrelated business taxable income.

CMHV and its subsidiaries are subject to federal and state income taxes. CMHV accounts for income taxes in accordance with income tax accounting guidance (ASC 740, *Income Taxes*). CMHV has accumulated net operating loss carryforwards that are available to offset future taxable income during the carryforward period. No income tax benefit has been recognized for the net operating loss carryforwards or other potential deferred tax assets in the consolidated financial statements because CMHV believes realization of these benefits is unlikely.

CMHC 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 2007.

### ***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 unrealized gains and losses on investments other than trading securities, change in pension liabilities, permanent transfers to and from affiliates for other than goods and services and contributions of and grants for long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purpose of acquiring such assets).

### ***Transfers Between Fair Value Hierarchy Levels***

Transfers in and out of Level 1 (quoted market prices), Level 2 (other significant observable inputs) and Level 3 (significant unobservable inputs) are recognized on the period ending date. There were no transfers between fair value hierarchy levels during the years ended June 30, 2013 and 2012.

**Central Maine Healthcare Corporation  
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***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). Critical access hospitals are eligible to receive incentive payments for up to four years under the Medicare program for its reasonable costs of the purchase of certified EHR technology multiplied by the Hospital's Medicare utilization plus 20%, limited to 100% of the costs incurred. 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 organization 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 Corporation 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.

In 2013 and 2012, the Corporation completed the first and second-year requirements under the Medicaid program and recorded revenue of approximately \$3,100,000 and \$3,825,000, respectively, which is included in other revenue within operating revenues in the statement of operations.

***Estimated Self-Insurance Costs***

The Corporation accrues estimated liabilities for self-insurance losses associated with worker's compensation and employee health insurance claims and includes an estimate of the ultimate costs for both reported claims and claims incurred but not reported.

***Subsequent Events***

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

**Central Maine Healthcare Corporation  
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**Note 2: Net Patient Service Revenue**

The Corporation 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 Corporation recognizes revenue on the basis of its standard rates for services provided. On the basis of historical experience, a significant portion of the Corporation's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Corporation 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 Corporation has agreements with third-party payers that provide for payments to the Corporation at amounts different from its established rates. These payment arrangements include:

*Medicare.* CMMC - 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. Certain inpatient nonacute services and defined medical education costs are paid based on a cost reimbursement methodology.

Rumford and Bridgton – Inpatient acute care and swing-bed skilled nursing services and substantially all outpatient services rendered to the Medicare program beneficiaries are paid based on cost reimbursed formulas as a critical access hospital.

CMMC, Rumford and Bridgton are all reimbursed for certain services at tentative rates with final settlement determined after submission of annual cost reports and audits thereof by the Medicare administrative contractor.

*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. CMMC, Rumford and Bridgton are reimbursed for cost reimbursable services at tentative rates with final settlement determined after submission of annual cost reports by the respective hospital and audits thereof by the Medicaid administrative contractor. For acute care services and outpatient services CMMC is now being paid at prospectively determined rates. These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors.

# Central Maine Healthcare Corporation and Subsidiaries

## Notes to Consolidated Financial Statements June 30, 2013 and 2012

CMMC, Rumford and Bridgton's Medicaid cost reports have been tentatively settled by the Medicaid administrative contractor through June 30, 2008. At June 30, 2013 and 2012, CMMC, Rumford and Bridgton have estimated outstanding cost report receivables of approximately \$48,350,000 and \$56,310,000, respectively, from the State of Maine (State) for fiscal years 2005 through 2013. CMMC, Rumford and Bridgton received \$6,390,000 and \$200,000 during fiscal years 2013 and 2012, respectively, for tentative settlements of filed cost reports. Additionally, subsequent to June 30, 2013, the Corporation received tentative settlements of approximately \$39,560,000 related to outstanding cost report settlements. 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.

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

On March 1, 2013, certain provisions of the Federal Government's *Budget Control Act of 2011* went into effect. Among these provisions are mandatory payment reductions under the Medicare 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 Corporation.

Patient service revenue, net of contractual allowances and discounts (but before the provision for uncollectible accounts), recognized in the years ended June 30, 2013 and 2012, respectively, was approximately:

	<b>2013</b>	<b>2012</b>
Medicare	\$124,221,185	\$127,280,120
Medicaid	65,292,867	75,798,321
Anthem	73,210,715	87,853,668
Other third-party payers	98,211,705	90,660,977
Patients	34,464,648	22,881,815
Total	\$395,401,120	\$404,474,901

# Central Maine Healthcare Corporation and Subsidiaries

## Notes to Consolidated Financial Statements June 30, 2013 and 2012

### Note 3: Concentration of Credit Risk

The Corporation grants credit without collateral to its patients, most of whom are area residents and are insured under third-party payer agreements. The mix of gross receivables from patients and third-party payers at June 30, 2013 and 2012, is:

	2013	2012
Medicare	35%	38%
Medicaid	10%	7%
Anthem	3%	4%
Other third-party payers	36%	37%
Patients	16%	14%
	100%	100%

### Note 4: Investments, Deferred Compensation and Investment Return

	2013	2012
Held by trustee under bond indenture agreements		
Cash and cash equivalents	\$ 14,834,584	\$ 17,424,208
Held by trustee for self-insurance trust		
Cash and cash equivalents	\$ 5,694,402	\$ 11,103,816
Fixed income securities	25,066,562	3,732,483
Equity securities	6,114,713	4,311,309
Private limited partnerships	-	5,500,529
	\$ 36,875,677	\$ 24,648,137

# Central Maine Healthcare Corporation and Subsidiaries

## Notes to Consolidated Financial Statements June 30, 2013 and 2012

### ***Other Investments***

Other investments at June 30 include:

	2013	2012
Cash and cash equivalents	\$ 13,298,560	\$ 60,241,264
Fixed income securities	21,064,064	1,122,570
Equity securities		
Consumer discretionary	1,142,664	-
Consumer staples	3,982,794	-
Energy	3,371,326	-
Financials	1,104,093	-
Health care	3,706,221	-
Industrials	2,676,111	-
Information technology	3,210,537	-
Materials	359,732	-
Telecommunications services	1,184,922	-
Utilities	1,447,109	
Other	13,155,964	644,937
Charitable remainder trusts	1,245,041	1,168,135
Private limited partnerships	357,240	5,142,240
	71,306,378	68,319,146
Less internally designated	27,932,676	25,570,765
Less externally restricted	30,415,682	26,764,891
	\$ 12,958,020	\$ 15,983,490

### ***Deferred Compensation Plan Assets***

	2013	2012
Cash and cash equivalents	\$ 378,459	\$ 1,172,983
Mutual funds	9,353,274	7,570,898
Equities	-	488,090
Life insurance contracts	16,929,547	15,919,744
	\$ 26,661,280	\$ 25,151,715

# Central Maine Healthcare Corporation and Subsidiaries

## Notes to Consolidated Financial Statements June 30, 2013 and 2012

Total investment return is comprised of the following:

	2013	2012
Interest and dividend income	\$ 2,022,142	\$ 2,238,646
Unrealized gains (losses)	5,818	(4,179,019)
Realized gains and losses	3,542,954	2,717,377
	\$ 5,570,914	\$ 777,004

Total investment return is reflected in the statements of operations and changes in net assets as follows:

	2013	2012
Unrestricted net assets		
Other operating income	\$ 419,177	\$ 309,221
Other nonoperating income	4,169,633	3,977,046
Change in unrealized gains and losses	(290,605)	(3,130,284)
Temporarily restricted net assets	1,272,709	(378,979)
	\$ 5,570,914	\$ 777,004

### ***Private Limited Partnerships and Investment Trusts***

Except as described below, the fair value of private limited partnerships and investment trusts has been estimated using the net asset value per share of the investments. Private limited partnerships and investment trusts held at June 30 consist of the following:

	June 30, 2013			
Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period	
Multistrategy hedge funds (B)	\$ 322,271	\$ -	Quarterly	45 days
Multistrategy hedge funds (D)	34,969	-	Quarterly	75 days

# Central Maine Healthcare Corporation and Subsidiaries

## Notes to Consolidated Financial Statements June 30, 2013 and 2012

	June 30, 2012			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Limited partnership (A)	\$ 1,527,445	\$ -	Annually	90 days
Multistrategy hedge funds (B)	821,795	-	Quarterly	45 days
Multistrategy hedge funds (C)	2,107,117	-	Annually	90 days
Multistrategy hedge funds (D)	5,458,413	-	Quarterly	75 days
Funds of Funds (E)	727,999		Quarterly	65 days

- (A) This partnership invests primarily through a diversified group of money managers that as a group use a wide variety of investment techniques and strategies. The objective of the partnership is to seek consistent long-term growth of capital with reduced volatility. The partnership invests in securities and other financial instruments of the United States and foreign entities, including equity and debt securities, options, future contracts, forward contracts and swap contracts. This investment was liquidated during the year ended June 30, 2013.
- (B) This partnership invests primarily through a diversified group of money managers to obtain higher performance and less volatility than if the partnership employed a single investment strategy. The fund invests in equity securities, debt securities, options, warrants, currencies, futures contracts, commodities, partnership interests, money market instruments, precious metals and other ownership interests and indebtedness. This investment was liquidated during the year ended June 30, 2013, with a remaining holdback amount that will be distributed once the fund's annual audit is completed.
- (C) This fund was formed primarily with the purpose of achieving long-term growth of capital with reduced volatility and returns that demonstrate little or no correlation with either equity or bond markets, by allocating its capital among various money managers that, as a group, employ a variety of investment techniques and strategies. This fund invests in equity and debt securities in the United States and foreign issuers, options, futures contracts, forward contracts and swap contracts. This investment was liquidated during the year ended June 30, 2013.

**Central Maine Healthcare Corporation  
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- (D) This fund was formed primarily with the objective to achieve consistent returns with low correlation to the markets, while reducing risk through diversification, by utilizing a diverse group of low volatility alternative investment strategies, using a multimanager approach. Investments may include, but are not limited to, equity and fixed income securities, convertible and hybrid stocks and debt securities, preferred stocks, warrants and options, structured and other synthetic securities and related derivative instruments, such as swaps, forwards, options, futures, caps and floors, other derivatives, government and corporate securities, money market instruments, foreign currencies and interest in currencies, certificates of deposit, bankers' acceptances, trust receipts and trade and commercial obligations and loans. This investment was liquidated during the year ended June 30, 2013, with a remaining holdback amount that will be distributed once the fund's annual audit is completed.
- (E) This fund is a feeder fund of a Trust. The investment objective of the fund is to realize appreciation in the value of its assets through the allocation of capital amount submanagers and the portfolio funds they operate. This investment was liquidated during the year ended June 30, 2013.

**Note 5: Investments in and Advances to Equity Investees**

***United Ambulance Service***

CMMC has a 50% ownership of United Ambulance Service. CMMC's investment in United Ambulance Service is accounted for using the equity method of accounting in the accompanying financial statements.

The financial position at June 30, 2013 and 2012, and the results of operations for United Ambulance Service for the years then ended are summarized below:

	<b>2013</b>	<b>2012</b>
Current assets	\$ 2,186,833	\$ 2,144,417
Property and other long-term assets, net	3,102,329	3,325,343
<b>Total assets</b>	<b>5,289,162</b>	<b>5,469,760</b>
Current liabilities	588,490	710,445
Long-term liabilities	-	75,181
<b>Total liabilities</b>	<b>588,490</b>	<b>785,626</b>
<b>Net assets</b>	<b>\$ 4,700,672</b>	<b>\$ 4,684,134</b>
Revenues	\$ 8,993,737	\$ 8,573,171
Net income	\$ 516,538	\$ 12,524

# Central Maine Healthcare Corporation and Subsidiaries

## Notes to Consolidated Financial Statements June 30, 2013 and 2012

### ***Lifelight of Maine***

CMHC has a 50% ownership of Lifelight of Maine. CMHC's investment in Lifelight of Maine is accounted for using the equity method of accounting in the accompanying financial statements.

The financial position at June 30, 2013 and 2012, and the results of operations for Lifelight of Maine for the years then ended are summarized below:

	<b>2013</b>	<b>2012</b>
Current assets	\$ 2,506,361	\$ 3,717,109
Property and other long-term assets, net	6,602,002	6,567,407
<b>Total assets</b>	<b>9,108,363</b>	<b>10,284,516</b>
Current liabilities	541,421	770,466
Long-term liabilities	5,073,720	5,444,178
<b>Total liabilities</b>	<b>5,615,141</b>	<b>6,214,644</b>
<b>Net assets</b>	<b>\$ 3,493,222</b>	<b>\$ 4,069,872</b>
Revenues	\$ 7,752,595	\$ 8,472,697
Net income (loss)	\$ (576,651)	\$ 591,839

### ***Maine Research Associates***

During the year ended June 30, 2012, CMHV purchased 49% interest in Maine Research Associates for \$950,000. CMHC's investment in Maine Research Associates is accounted for using the equity method of accounting in the accompanying financial statements.

The financial position for the periods ended June 30, 2013 and 2012, respectively, and the results of operations for Maine Research Associates are summarized below:

	<b>2013</b>	<b>2012</b>
Total assets	\$ 2,706,284	\$ 2,208,979
Total liabilities	2,497	5,206
Net assets	<b>\$ 2,703,787</b>	<b>\$ 2,203,773</b>
Revenues	\$ 2,425,680	\$ 885,030
Net income	\$ 799,812	\$ 264,997

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***Premier Purchasing Partners***

CMHC has a 2% ownership of Premier Purchasing Partners, L.P. During the years ended June 30, 2013 and 2012, CMHC received distributions of \$633,571 and \$608,457, respectively. CMHC's investment in Premier Purchasing Partners, L.P. is accounted for using the equity method of accounting in the accompanying financial statements.

**Note 6: Notes and Other Receivables**

In April 2008, CMHC advanced Parkview Adventist Medical Center (Parkview) \$5,600,000 in the form of a demand promissory note. This note was refinanced subsequent to June 30, 2013 and is due September 16, 2018, secured by substantially all of Parkview's assets. The interest rate is variable, equal to 2% plus the U.S. Prime Rate. The note is due based on a 180-month installment payment schedule, with a balloon payment for the remaining balance due September 16, 2018. The outstanding balance of the note payable to CMHC at June 30, 2013 and 2012, was \$4,599,981 and \$5,022,833, respectively. All required payments on the note have been received through June 30, 2013.

Additionally, CMHC and CMMC provide physician coverage, management and other various services to Parkview routinely throughout the year under the terms of a management agreement.

At June 30, 2013 and 2012, the Corporation has a recorded receivable from Parkview of \$6,157,393 and \$2,368,603, respectively, for services rendered under this agreement. Subsequent to June 30, 2013, Parkview entered into a transaction with the Corporation to sell two of Parkview's buildings to the Corporation for approximately \$5,250,000, all of which Parkview received approximately \$3,350,000 in cash from the Corporation and approximately \$1,900,000 was applied to the debts owed from Parkview to the Corporation. Parkview's audit as of and for the year ended December 31, 2012, included an Emphasis of Matter paragraph regarding substantial doubt about Parkview's ability to continue as a going concern due to recurring losses from operations and net asset deficiencies. However, management believes the amounts due from Parkview are fully collectible and no reserve has been recorded for amounts due to CMHC or CMMC, based on their assessment of Parkview's current operating results and the Corporation's security interest in Parkview's assets. It is reasonably possible this estimate could change materially in the near term.

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**Note 7: Property and Equipment**

Property and equipment consists of the following at June 30:

	<u>2013</u>	<u>2012</u>
Land and land improvements	\$ 14,881,264	\$ 14,509,837
Buildings and improvements	228,065,261	223,594,932
Major movable equipment, fixed equipment and vehicles	<u>226,972,582</u>	<u>216,927,225</u>
	469,919,107	455,031,994
Less accumulated depreciation	<u>285,140,084</u>	<u>261,208,668</u>
	184,779,023	193,823,326
Construction in progress	<u>20,029,870</u>	<u>15,529,400</u>
	<u>\$204,808,893</u>	<u>\$209,352,726</u>

At June 30, 2013 and 2012, construction in progress was comprised of various minor construction projects, in addition to costs associated with implementing a new computer system throughout the Corporation. The new computer system project is expected to be completed in the fall of 2014 and the remaining anticipated cost at June 30, 2013, is approximately \$5,100,000. In order to pay for the new computer system, management obtained financing in 2012 from the vendor related to the system implementation (see *Note 10*).

**Note 8: Self-Insurance**

***Professional Liability Claims***

CMHC and its subsidiaries obtain professional and management liability insurance coverages on a claims made basis and general liability coverage on an occurrence basis from CWM, CMHC's wholly owned subsidiary. The medical professional liability insurance coverage limits are \$2,000,000 per claim and \$12,000,000 in the aggregate, with coverage beginning January 1, 1979. Management liability insurance coverage limits are \$1,000,000 per claim and \$3,000,000 in the aggregate, with coverage beginning May 29, 1987. General liability coverage limits are \$2,000,000 per loss and \$12,000,000 in the aggregate. Additionally, CWM also provides an excess policy where coverage is limited to \$25,000,000 per claim and in the aggregate. Beginning July 1, 2007, CWM obtained reinsurance for 100% of the excess coverage, and prior to July 1, 2007, CWM reinsured 80% of the excess coverage.

Losses from asserted and unasserted claims identified under CWM's incident reporting system are accrued based on estimates that incorporate CWM's past experience, as well as other considerations, including the nature of each claim or incident and relevant trend factors.

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The accrued liability for malpractice claims at June 30, 2013 and 2012, was \$15,994,338 and \$14,434,964, respectively. It is reasonably possible that CWM's estimate of losses will change by a material amount in the near term.

Effective July 1, 2012, CWM's medical professional liability policy was endorsed to include Directors and Officers and Employments Practices liability policy deductible buyback coverage. CWM's liability is limited to \$50,000 and \$75,000 in excess of CMHC's first dollar retention of \$50,000 each on all losses respectively.

***Health Insurance***

The Corporation is self-insured for employee health coverage and has accrued an estimate of the ultimate costs for both reported claims and claims incurred but not reported. The accrual is based on the consideration of prior claims experience, recently settled claims, frequency of claims and other economic and social factors and is included in current accrued expenses on the balance sheets. It is reasonably possible that the Corporation's estimate will change by a material amount in the near term. Commercial stop-loss insurance coverage is purchased for claims in excess of the aggregate annual amount.

***Worker's Compensation***

The Corporation has a self-insurance program to provide for workers' compensation coverage and has accrued an estimate of the ultimate costs for both claims reported and claims incurred but not reported. A trust fund has been established for this purpose and is included in assets limited as to use. The accrual is based on the consideration of prior claims experience, recently settled claims, frequency of claims and other economic and social factors and is included in current accrued expenses on the balance sheets. It is reasonably possible that the Corporation's estimate will change by a material amount in the near term.

Liabilities for self-insurance costs for malpractice and workers' compensation are classified as current or long-term in the accompanying financial statements based on past experience, as well as other considerations, including the nature of each claim or incident and relevant trend factors.

**Note 9: Lines of Credit**

The Corporation has entered into a revolving line of credit, with TD Banknorth, N.A., which provides borrowings up to \$15,000,000, due December 31, 2013. Payments of interest only are due monthly at a rate of the one-month LIBOR plus 2.75%. The interest rate will be adjusted based on a review of the Corporation's quarterly financial statements to the one-month LIBOR plus 2.50% if days cash on hand is greater than 50 days, or to the one-month LIBOR plus 2.25% if days cash on hand is greater than 70 days. The interest rate at June 30, 2013 and 2012, was 2.75%. This line of credit is secured by substantially all of the Corporation's assets. At June 30, 2013 and 2012, respectively, the balance outstanding on the line of credit was \$0.

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The Corporation has entered into a revolving line of credit, with TD Banknorth, N.A., which provides borrowings up to \$25,000,000, due December 31, 2013. Payments of interest only are due monthly at a rate of the one-month LIBOR plus 2.75%. The interest rate will be adjusted based on a review of the Corporation's quarterly financial statements to the one-month LIBOR plus 2.50% if days cash on hand is greater than 50 days, or to the one-month LIBOR plus 2.25% if days cash on hand is greater than 70 days. The interest rate at June 30, 2013 and 2012, was 2.75%. This line of credit is secured by substantially all of the Corporation's assets. At June 30, 2013 and 2012, respectively, the balance outstanding on the line of credit was \$10,342,598 and \$17,428,260.

**Note 10: Long-Term Debt**

	<u>2013</u>	<u>2012</u>
Revenue bonds (A)	\$ -	\$ 43,150,000
Revenue bonds (B)	19,970,000	21,370,000
Revenue bonds (C)	2,390,000	2,465,000
Revenue bonds (D)	7,430,000	7,660,000
Revenue bonds (E)	55,270,000	55,605,000
Revenue bonds (F)	37,160,000	-
Mortgage note payable (G)	712,662	732,386
Mortgage note payable (H)	667,641	685,226
Note payable (I)	2,471,652	2,901,451
Note payable (J)	1,800,531	2,113,628
Other (K)	-	54,049
Capital lease obligations (L)	<u>13,439,943</u>	<u>15,969,582</u>
	141,312,429	152,706,322
Less net discount (premium) on bonds	(3,837,285)	176,292
Less current maturities	<u>6,048,619</u>	<u>6,612,369</u>
	<u>\$ 139,101,095</u>	<u>\$ 145,917,661</u>

(A) Maine Health and Higher Educational Facilities Authority Fixed Rate Revenue Bonds, Central Maine Medical Center Issue, Series 2003A, interest rates ranging from 2.5% to 5.0%. The bonds were collateralized by CMMC's pledge of gross revenues and property. The bonds were payable in annual installments through July 1, 2032. During the year ended June 30, 2013, CMMC advance refunded these bonds with the issuance of the Maine Health and Higher Educational Facilities Authority Fixed Rate Revenue Bonds, Central Maine Medical Center Issue, Series 2013A (see *F* below). The advance refunding of the bonds resulted in CMMC recognizing a loss on debt extinguishment of \$587,465 for the year ended June 30, 2013.

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- (B) Maine Health and Higher Educational Facilities Authority Fixed Rate Revenue Bonds, Central Maine Medical Center Issue, Series 2005B, interest rates ranging from 3.5% to 5.0%. The bonds are collateralized by CMMC's pledge of gross revenues and property. The bonds are payable in annual installments through July 1, 2030.
- (C) Maine Health and Higher Educational Facilities Authority Fixed Rate Revenue Bonds, Rumford Community Home Issue, Series 2001A, interest rates ranging from 3.45% to 5.25%. The bonds are collateralized by Rumford's pledge of gross revenues and property. The bonds are payable in annual installments through July 1, 2031. CMHC as the parent, is also guarantor of these revenue bonds.
- (D) Maine Health and Higher Educational Facilities Authority Fixed Rate Revenue Bonds, Bridgton Hospital Issue, Series 2001A, interest rates ranging from 3.45% to 5.25%. The bonds are collateralized by Bridgton's pledge of gross revenues and property. The bonds are payable in annual installments through July 1, 2031. CMHC as the parent, is also guarantor of these revenue bonds.
- (E) Maine Health and Higher Educational Facilities Authority Fixed Rate Revenue Bonds, Central Maine Medical Center Issue, Series 2009A, interest rates ranging from 2.00% to 5.12%. The bonds are collateralized by CMHC's and CMMC's pledge of gross revenues and property. The bonds are payable in annual installments through July 1, 2039.
- (F) Maine Health and Higher Educational Facilities Authority Fixed Rate Revenue Bonds, Central Maine Medical Center Issue, Series 2013A, interest rates ranging from 2.0% to 5.0%. The bonds are collateralized by CMMC's pledge of gross revenues and property. The bonds are payable in annual installments through July 1, 2032. The proceeds from this bond issuance were used to advance refund the Maine Health and Higher Educational Facilities Authority Fixed Rate Revenue Bonds, Central Maine Medical Center Issue, Series 2003A (see A above).
- (G) U.S. Department of Agriculture, Rural Development mortgage notes payable due in monthly installments of principal and interest through December 2037, with interest rates at 4.88% and 5.00%, secured by Bridgton's assets and a pledge of future gross revenues.
- (H) U.S. Department of Agriculture, Rural Development mortgage note payable due in monthly installments of principal and interest through May 2036, with interest rate of 4.50%. This mortgage note payable is secured by Rumford's assets and a pledge of future gross revenues.
- (I) Note payable to Mechanic Savings Bank, with interest payments at 30-day LIBOR plus 1.65%, due November 12, 2018, secured by real estate. The interest rate at June 30, 2013 and 2012, was 1.89% and 1.84%, respectively. At June 30, 2013, the Corporation failed to meet certain restrictive covenants set forth in the loan documents. The Corporation has obtained a waiver from the bank stating the original terms of the note payable are still in effect.

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- (J) Note payable to Mechanic Savings Bank, with interest payments at 30-day LIBOR plus 1.65%, due November 12, 2018, secured by real estate. The interest rate at June 30, 2013 and 2012, was 1.89% and 1.84%, respectively. At June 30, 2013, the Corporation failed to meet certain restrictive covenants set forth in the loan documents. The Corporation has obtained a waiver from the bank stating the original terms of the note payable are still in effect.
- (K) Note payable to a private individual, due in quarterly installments of principal and interest through July 1, 2013, secured by real estate. The interest rate on the note payable is 2.8%. This note was fully repaid during 2013.
- (L) At varying rates of imputed interest from 1.42% to 10.10%, due through 2019; collateralized by property and equipment. During the year ended June 30, 2012, the Corporation entered into a capital lease for their new computer system in the amount of \$16,378,543 (see *Note 20*).

Aggregate annual maturities and sinking fund requirements of long-term debt and payments on capital lease obligations at June 30, 2013, are:

	<b>Long-Term Debt (Excluding Capital Lease Obligations)</b>	<b>Capital Lease Obligations</b>
2014	\$ 2,918,131	\$ 3,308,811
2015	4,234,145	2,967,299
2016	4,530,501	2,549,111
2017	4,667,222	2,465,213
2018	4,819,314	2,670,073
Thereafter	106,703,173	-
	<u>\$ 127,872,486</u>	<u>13,960,507</u>
Less amount representing interest		520,564
Present value of future minimum lease payments		13,439,943
Less current maturities		<u>3,130,488</u>
Noncurrent portion		<u>\$ 10,309,455</u>

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**Note 11: Temporarily and Permanently Restricted Net Assets**

Temporarily restricted net assets are available for the following purposes:

	<u>2013</u>	<u>2012</u>
Cardiac care	\$ 301,336	\$ 274,525
Healthcare services	3,092,838	3,925,238
Research	1,742	1,742
Purchase of capital	3,145,138	2,882,176
Charity care	775,300	586,914
Health education	1,500,818	1,071,364
Family practice	652,095	611,492
	<u>\$ 9,469,267</u>	<u>\$ 9,353,451</u>

Permanently restricted net assets are restricted to:

	<u>2013</u>	<u>2012</u>
Investments to be held in perpetuity, the income is unrestricted	\$ 5,531,598	\$ 5,451,460
Investments to be held in perpetuity, the income is restricted	<u>14,146,572</u>	<u>13,181,560</u>
	<u>\$ 19,678,170</u>	<u>\$ 18,633,020</u>

During 2013 and 2012, net assets were released from donor restrictions by incurring expenses, satisfying the restricted purposes in the amounts of \$1,948,440 and \$1,626,049, respectively. During 2013 and 2012, net assets of \$1,200,095 and \$10,500, respectively, were released to purchase equipment.

**Note 12: Endowment**

The Corporation's endowment consists of numerous individual funds established for a variety of purposes. The endowment includes both donor-restricted endowment funds and funds designated by the governing body to function as endowments (board-designated endowment funds). As required by accounting principles generally accepted in the United States of America (GAAP), net assets associated with endowment funds, including board-designated endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

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The Corporation's governing body has interpreted the State of Maine Prudent Management of Institutional Funds Act (SPMIFA) as requiring preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Corporation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of donor-restricted endowment funds is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Corporation in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the Corporation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. Duration and preservation of the fund
2. Purposes of the Corporation and the fund
3. General economic conditions
4. Possible effect of inflation and deflation
5. Expected total return from investment income and appreciation or depreciation of investments
6. Other resources of the Corporation
7. Investment policies of the Corporation

The composition of net assets by type of endowment fund at June 30, 2013 and 2012, was:

	2013			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ -	\$ 2,079,946	\$ 18,433,866	\$ 20,513,812
Board designated endowment funds	5,155,160	-	-	5,155,160
	<u>\$ 5,155,160</u>	<u>\$ 2,079,946</u>	<u>\$ 18,433,866</u>	<u>\$ 25,668,972</u>
	2012			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ -	\$ 1,149,274	\$ 17,465,621	\$ 18,614,895
Board designated endowment funds	5,008,669	-	-	5,008,669
	<u>\$ 5,008,669</u>	<u>\$ 1,149,274</u>	<u>\$ 17,465,621</u>	<u>\$ 23,623,564</u>

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Changes in endowment net assets for the years ended June 30, 2013 and 2012, were:

	2013			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Endowment net assets, beginning of year	\$ 5,008,669	\$ 1,149,274	\$ 17,465,621	\$ 23,623,564
Contributions	3,720	-	968,245	971,965
Total investment return	368,161	1,229,681	-	1,597,842
Appropriation of endowment assets for expenditure	(225,390)	(299,009)	-	(524,399)
Endowment net assets, end of year	<u>\$ 5,155,160</u>	<u>\$ 2,079,946</u>	<u>\$ 18,433,866</u>	<u>\$ 25,668,972</u>
	2012			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ 5,547,307	\$ 1,907,927	\$ 16,779,545	\$ 24,234,779
Contributions	2,700	-	686,076	688,776
Total investment return	(291,709)	(349,725)	-	(641,434)
Appropriation of endowment assets for expenditure	(249,629)	(408,928)	-	(658,557)
Endowment net assets, end of year	<u>\$ 5,008,669</u>	<u>\$ 1,149,274</u>	<u>\$ 17,465,621</u>	<u>\$ 23,623,564</u>

The Corporation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs and other items supported by its endowment while seeking to maintain the purchasing power of the endowment. Endowment assets include those assets of donor-restricted endowment funds the Corporation must hold in perpetuity or for donor-specified periods, as well as those of board-designated endowment funds. Under the Corporation's policies and risk parameters, endowment assets are invested in a manner that is intended to produce results that are at least equal to the performance of the custom balanced index and rank in the top 33% of a nationally recognized evaluation service's universe for the comparable funds over a rolling five-year time period. The Corporation's custom index is comprised of the Standard & Poor's 500 Index, Russell 2000 Index, MSCI EAFE International Index and Solomon Brothers 90 day Treasury Bill Index and/or other appropriate indices. The Corporation expects its endowment funds to provide an average rate of return of approximately 8% annually over time. Actual returns in any given year may vary from this amount.

# Central Maine Healthcare Corporation and Subsidiaries

## Notes to Consolidated Financial Statements June 30, 2013 and 2012

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

The Corporation has a policy (the spending policy) of appropriating for expenditure each year 4.5% of its endowment fund's average fair value as measured on July 1 of the new fiscal year. In establishing this policy, the Corporation considered the long-term expected return on its endowment. Accordingly, over the long term, the Corporation expects the current spending policy to allow its endowment to grow at an average of 8% annually. This is consistent with the Corporation's objective to maintain the purchasing power of endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment return.

### Note 13: Charity Care

The costs of charity care provided under the Corporation's charity care policy were \$6,497,568 and \$10,519,686 for 2013 and 2012, respectively. The cost of charity care is estimated by applying the ratio of cost to gross charges to the gross uncompensated charges.

### Note 14: Functional Expenses

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

	2013	2012
Health care services	\$ 322,957,893	\$ 317,428,911
General and administrative	74,790,870	69,175,910
	\$ 397,748,763	\$ 386,604,821

### Note 15: Pension Plan

The CMHC and certain affiliates have a contributory defined benefit pension plan covering all employees who meet the eligibility requirements. Effective December 31, 2001, Rumford merged into the CMHC plan. The funding policy is to make the minimum annual contribution that is required by applicable regulations, plus such amounts as CMHC may determine to be appropriate from time to time. CMHC expects to contribute \$1,330,000 to the plan in 2014.

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No employee hired after December 31, 2009, is eligible to participate in the defined benefit pension plan. Effective March 31, 2011, pension benefits for all employees in the defined benefit pension plan have been frozen. Effective July 1, 2011, all employees previously covered under the defined benefit plan can elect to participate in the Corporation's defined contribution plan.

CMHC uses a June 30 measurement date for the plans. Information about the plan's funded status follows:

	<u>2013</u>	<u>2012</u>
Benefit obligation	\$ 135,203,014	\$ 141,233,228
Fair value of plan assets	<u>95,335,770</u>	<u>91,643,645</u>
Funded status	<u>\$ (39,867,244)</u>	<u>\$ (49,589,583)</u>

Liabilities recognized in the balance sheets:

	<u>2013</u>	<u>2012</u>
Noncurrent liabilities	<u>\$ 39,867,244</u>	<u>\$ 49,589,583</u>

Amounts recognized in unrestricted net assets not yet recognized as components of net periodic benefit cost consist of:

	<u>2013</u>	<u>2012</u>
Net loss	<u>\$ (43,699,308)</u>	<u>\$ (54,923,065)</u>

Information for pension plans with an accumulated benefit obligation in excess of plan assets:

	<u>2013</u>	<u>2012</u>
Projected benefit obligation	<u>\$ 135,203,014</u>	<u>\$ 141,233,228</u>
Accumulated benefit obligation	<u>\$ 135,203,014</u>	<u>\$ 141,233,228</u>
Fair value of plan assets	<u>\$ 95,335,770</u>	<u>\$ 91,643,645</u>

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Other significant balances and costs are:

	<b>2013</b>	<b>2012</b>
Employer contributions	\$ 1,308,969	\$ 3,594,395
Participant contributions	\$ -	\$ -
Benefits paid	\$ (3,877,077)	\$ (4,481,647)
Benefit costs	\$ 2,810,387	\$ 342,436

Other changes in plan assets and benefit obligations recognized in the statements of operations and changes in net assets for the years ended June 30, 2013 and 2012:

	<b>2013</b>	<b>2012</b>
Amounts arising during the period		
Actuarial (gain) loss	\$ (7,882,907)	\$ 27,259,248
Actual return on plan assets	(6,260,233)	(2,757,650)
Expected return on plan assets	6,479,570	6,993,232
Net (gain) loss	<u>\$ (7,663,570)</u>	<u>\$ 31,494,830</u>

Amounts reclassified as components of net periodic benefit cost of the year

Net loss	\$ 3,560,187	\$ 1,121,698
Net prior service cost	-	-

The estimated net loss for the defined benefit pension plan will be amortized into net periodic benefit cost over the next fiscal year is \$2,704,212.

Significant assumptions include:

	<b>2013</b>	<b>2012</b>
Weighted average assumptions used to determine benefit obligations		
Discount rate	4.66%	4.11%
Weighted average assumptions used to determine benefit costs		
Discount rate	4.11%	5.62%
Expected return on plan assets	7.50%	8.50%

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CMHC has estimated the long-term rate of return on plan assets based primarily on historical returns on plan assets, adjusted for changes in target portfolio allocations and recent changes in long-term interest rates based on publicly available information.

CMHC's overall investment strategy is to diversify investments among asset classes and management strategies in an attempt to minimize volatility while ensuring that a sufficient pool of assets is maintained at all times to meet the plan's current and future benefit obligations. The target asset allocation percentages for 2013 and 2012 are as follows:

	2013	2012
Fixed income securities	50%	33%
Equity securities	50%	67%
Private limited partnerships	0%	0%
Total	100%	100%

***Pension Plan Assets***

Following is a description of the valuation methodologies used for pension plan assets measured at fair value on a recurring basis and recognized in the accompanying balance sheets, as well as the general classification of pension plan assets pursuant to the valuation hierarchy.

Where quoted market prices are available in an active market, plan assets are classified within Level 1 of the valuation hierarchy. Level 1 plan assets include equity securities. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of plan assets with similar characteristics or discounted cash flows. Level 2 plan assets include cash and cash equivalents and fixed income securities. In certain cases where Level 1 or Level 2 inputs are not available, plan assets are classified within Level 3 of the hierarchy and include equity securities and private limited partnerships. For investments, other than the private limited partnerships and some equity securities classified as Level 3 investments, the inputs used by the pricing service to determine fair value may include one, or a combination of, observable inputs such as benchmark yields, broker/dealer quotes, issuer spreads, benchmark securities and reference data market research publications. For the private limited partnerships, the net asset value reported by the fund manager is used to determine fair value.

# Central Maine Healthcare Corporation and Subsidiaries

## Notes to Consolidated Financial Statements June 30, 2013 and 2012

The fair values of CMHC's pension plan assets at June 30, 2013 and 2012, by asset class are as follows:

<b>2013</b>				
<b>Fair Value Measurements Using</b>				
	<b>Total Fair Value</b>	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>
Cash and cash equivalents	\$ 45,189	\$ 45,189	\$ -	\$ -
Fixed income securities	31,312,714	-	31,312,714	-
Equity securities	<u>63,577,867</u>	<u>-</u>	<u>63,577,867</u>	<u>-</u>
<b>Total</b>	<u><u>\$ 94,935,770</u></u>	<u><u>\$ 45,189</u></u>	<u><u>\$ 94,890,581</u></u>	<u><u>\$ -</u></u>
<b>2012</b>				
<b>Fair Value Measurements Using</b>				
	<b>Total Fair Value</b>	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>
Cash and cash equivalents	\$ 343,442	\$ 343,442	\$ -	\$ -
Fixed income securities	19,287,489	-	19,287,489	-
Equity securities	71,624,599	-	71,624,599	-
Private limited partnerships	<u>388,115</u>	<u>-</u>	<u>-</u>	<u>388,115</u>
<b>Total</b>	<u><u>\$ 91,643,645</u></u>	<u><u>\$ 343,442</u></u>	<u><u>\$ 90,912,088</u></u>	<u><u>\$ 388,115</u></u>

**Central Maine Healthcare Corporation  
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**Notes to Consolidated Financial Statements**  
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	<b>Fair Value Measurements Using Significant Unobservable Inputs (Level 3)</b>
	<b>Private Limited Partnerships</b>
Balance at July 1, 2011	\$ 447,285
Actual return on plan assets	
Relating to assets still held at the reporting date	(21,876)
Relating to assets still sold during the period	(11,015)
Purchases, sales and settlements	(26,279)
Balance at June 30, 2012	388,115
Actual return on plan assets	
Relating to assets still held at the reporting date	-
Relating to assets still sold during the period	-
Purchases, sales and settlements	(388,115)
Balance June 30, 2013	\$ -

Plan assets are held by a bank-administered trust fund, which invests the plan assets in accordance with the provisions of the plan agreement. The plan agreements permit investment in common stocks, corporate bonds and debentures, U.S. government securities, certain insurance contracts, real estate and other specified investments and derivatives based on certain target allocation percentages.

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid as of June 30, 2013.

2014	\$ 4,094,562
2015	4,626,402
2016	5,117,917
2017	5,576,754
2018	6,024,163
2019-2023	37,155,204

**Central Maine Healthcare Corporation  
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***Defined Contribution Plan***

Effective July 1, 2012, all employees previously covered under the defined benefit pension plan are now eligible to start accruing benefits under the 403(b) defined contribution plan. Prior to July 1, 2012, only Bridgton employees were participants in the defined contribution plan. This plan covers substantially all employees, and the Corporation matches employee contributions into the plan up to 2.5% of an employee's annual salary. Amounts contributed by the Corporation vest at 20% for each year of service until 100% vested after five years of service. Pension expense to the plan was \$4,110,054 and \$4,208,108 for 2013 and 2012, respectively.

***Deferred Compensation Plan***

The Corporation funds deferred compensation plans under IRS section 457(f) and 457(b) for the benefit of certain senior executives. The trust accounts assets are classified as other assets and a corresponding deferred compensation obligation has been recorded by the Corporation in the amount of \$9,894,907 and \$8,877,550 at June 30, 2013 and 2012, respectively, and classified as other long-term debt.

The Corporation also funds a secured executive benefit plan for certain employees. Under this plan the Corporation purchases a life insurance policy for key members of management. Upon termination of the plan the Corporation will receive the premium payments, paid by the Corporation over the life of the policy and the employees will receive the amounts in excess of the premium payments to the Corporation. At June 30, 2013 and 2012, respectively, the Corporation had recorded investments of \$16,929,547 and \$15,919,747 included in deferred compensation assets.

**Note 16: Disclosures About Fair Value of Assets and Liabilities**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities.
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3** Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

# Central Maine Healthcare Corporation and Subsidiaries

## Notes to Consolidated Financial Statements June 30, 2013 and 2012

### **Recurring Measurements**

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying balance sheets measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2013 and 2012:

	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>June 30, 2013</b>				
Cash equivalents	\$ 34,206,005	\$ 34,206,005	\$ -	\$ -
Fixed income securities	46,130,626	-	46,130,626	-
Equity securities	41,456,186	41,456,186	-	-
Private limited partnerships	357,240	-	-	357,240
Charitable remainder trusts	1,245,041	-	1,245,041	-
Mutual funds	9,353,274	9,353,274	-	-
<b>June 30, 2012</b>				
Cash equivalents	\$ 89,942,271	\$ 89,915,736	\$ 26,535	\$ -
Fixed income securities	4,855,053	4,855,053	-	-
Equity securities	5,444,336	5,444,336	-	-
Private limited partnerships	10,642,769	-	-	10,642,769
Charitable remainder trusts	1,168,135	-	1,168,135	-

Following is a description of the valuation methodologies and inputs used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying balance sheets, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended June 30, 2013. For assets classified within Level 3 of the fair value hierarchy, the process used to develop the reported fair value is described below.

**Central Maine Healthcare Corporation  
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***Cash Equivalents and Investments***

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include cash equivalents, fixed income securities and equity securities. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Level 2 securities include cash equivalents, fixed income securities and equity securities. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy and include private limited partnerships. For investments other than the private limited partnerships, the inputs used by the pricing service to determine fair value may include one, or a combination of observable inputs such as benchmark yields, broker/dealer quotes, issuer spreads, benchmark securities and reference data market research publications.

The value of certain investments, classified as alternative investments, is determined using net asset value (or its equivalent) as a practical expedient. Investments for which the Corporation expects to have the ability to redeem its investments with the investee within 12 months after the reporting date are categorized as Level 2. Investments for which the Corporation does not expect to be able to redeem its investments with the investee within 12 months after the reporting date are categorized as Level 3.

Fair value determinations for Level 3 measurements of securities are the responsibility of management. Management's office contracts with a pricing specialist to generate fair value estimates on a monthly or quarterly basis. Management's office challenges the reasonableness of the assumptions used and reviews the methodology to ensure the estimated fair value complies with accounting standards generally accepted in the United States.

***Charitable Remainder Trusts***

Fair value is estimated at the present value of the future distributions expected to be received over the term of the agreement. Due to the nature of the valuation inputs, the interest is classified within Level 2 of the hierarchy.

**Central Maine Healthcare Corporation  
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**Notes to Consolidated Financial Statements**  
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The following is a reconciliation of the beginning and ending balances of recurring fair value measurements recognized in the accompanying balance sheets using significant unobservable (Level 3) inputs:

<b>Fair Value Measurements Using Significant Unobservable Inputs (Level 3)</b>		<b>Private Equity Funds</b>
Balance at July 1, 2011		\$ 12,801,803
Total realized and unrealized losses included in other income (expense)		(252,934)
Purchases, sales and settlements		(1,906,100)
Balance at June 30, 2012		10,642,769
Total realized and unrealized losses included in other income (expense)		437,974
Purchases, sales and settlements		(10,723,503)
Balance at June 30, 2013		\$ 357,240

Realized and unrealized gains and losses included in change in net assets for the period from July 1, 2011, through June 30, 2013, are reported in the statements of operations and changes in net assets as follows:

	2013		2012	
	Excess of Revenues Over Expenses	Changes in Net Assets	Excess of Revenues Over Expenses	Changes in Net Assets
Change in unrealized gains or losses relating to assets still held at the balance sheet date	\$ -	\$ -	\$ (252,934)	\$ -

**Central Maine Healthcare Corporation  
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***Nonrecurring Measurements***

The following table presents the fair value measurement of assets and liabilities measured at fair value on a nonrecurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2013 and 2012:

	2013		2012	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets</b>				
Cash and cash equivalents	\$ 10,270,111	\$ 10,270,111	\$ 27,308,135	\$ 27,308,135
Estimated amounts due from third-party payers	41,180,042	41,180,042	49,177,989	49,177,989
Notes receivable	4,368,117	4,368,117	4,790,969	4,790,969
Deferred compensation plan assets	26,661,280	26,661,280	25,151,715	25,151,715
<b>Financial Liabilities</b>				
Line of credit	10,342,598	10,342,598	17,428,260	17,428,260
Long-term debt	145,149,714	149,265,722	152,530,030	159,318,324

***Cash and Cash Equivalents***

The carrying amount approximates fair value.

***Notes Receivable***

Fair value is estimated at the present value of the future payments expected to be received.

***Estimated Amounts Due From Third-Party Payers***

Fair value is estimated at the present value of the future payments expected to be received.

***Defined Compensation Plan Assets***

The carrying amount approximates fair value.

***Line of Credit and Long-Term Debt***

Fair value is estimated based on the borrowing rates currently available to the Corporation for bank loans with similar terms and maturities.

**Central Maine Healthcare Corporation  
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The following table presents estimated fair values of the Corporation's financial instruments not previously disclosed at June 30, 2013 and 2012.

**Note 17: The Fair Value Option**

As permitted by Topic 825, the Corporation has elected to measure its internally designated assets limited as to use and short-term investments at fair value. Management has elected the fair value option for these items because it more accurately reflects the portfolio returns and financial positions of the Corporation. Total investments at June 30, 2013 and 2012, are \$357,240 and \$10,642,769, respectively.

See *Note 16* for additional disclosures regarding fair value of these investments.

***Changes in Fair Value***

Changes in fair value for items for which the fair value option has been elected are reported as investment return in other income (expense) in the financial statements. The change for 2013 and 2011 was a decrease of \$442,341 and \$523,314, respectively, which reflects all investment return amounts from short-term investments and internally designated investments.

**Note 18: Asset Retirement Obligation**

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 Corporation's conditional asset retirement obligations relate to environmental hazards contained in buildings that the Corporation owns. Environmental regulations exist that require the Corporation to handle and dispose of environmental hazards in a special manner if a building undergoes major renovations or is demolished.

A summary of changes in asset retirement obligations for the years ended June 30, 2013 and 2012, is included in the table below.

	<u>2013</u>	<u>2012</u>
Liability, beginning of year	\$ 2,829,879	\$ 2,781,372
Liabilities settled	(89,014)	(138,680)
Accretion expense	198,419	187,187
	<u>\$ 2,939,284</u>	<u>\$ 2,829,879</u>

**Central Maine Healthcare Corporation  
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**Notes to Consolidated Financial Statements**  
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**Note 19: 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:

***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*.

***Self-Insured Professional Liability, Workers' Compensation and Employee Health Claims***

Estimates related to the accrual for medical malpractice, workers' compensation and health insurance claims are described in *Notes 1* and *8*.

***Litigation***

In the normal course of business, the Corporation 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 Corporation's self-insurance program (discussed elsewhere in these notes) or by commercial insurance; for example, allegations regarding employment practices or performance of contracts. The Corporation 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.

***Asset Retirement Obligation***

As discussed in *Note 18*, the Corporation has recorded a liability for its conditional asset retirement obligation related to environmental hazards.

***Pension Benefit Obligations***

The Corporation has a contributory defined benefit pension plan whereby it agrees to provide certain postretirement benefits to eligible employees. The benefit obligation is the actuarial present value of all benefits attributed to service rendered prior to the valuation date based on the linear method. It is reasonably possible that events could occur that would change the estimated amount of this liability materially in the near term.

**Central Maine Healthcare Corporation  
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**Notes to Consolidated Financial Statements**  
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***Investments***

The Corporation invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the accompanying balance sheets.

***Notes and Other Receivables***

Due to the level of risk associated with certain notes and other receivables, it is at least reasonably possible that changes in the collectability of these receivables could occur in the near term and that such change could materially affect the amounts reported in the accompanying balance sheets.

***Current Economic Conditions***

The current protracted economic decline continues to present health systems 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 Corporation.

Current economic conditions, including the rising unemployment rate, have made it difficult for certain of our 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 significantly impact net patient service revenue, which could have an adverse impact on the Corporation's future operating results. Further, the effect of economic conditions on the state may have an adverse effect on cash flows related to the Medicaid 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 (including defined benefit pension plan investments) and allowances for accounts and contributions receivable that could negatively impact the Corporation's ability to meet debt covenants or maintain sufficient liquidity.

**Central Maine Healthcare Corporation  
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**Notes to Consolidated Financial Statements**  
**June 30, 2013 and 2012**

**Note 20: Information Technology Commitments**

The Corporation has entered into an agreement with Cerner to provide software support services for the Corporation through 2018. The annual commitments for this agreement are as follows:

2014	\$ 1,318,948
2015	1,318,948
2016	1,318,948
2017	1,318,948
2018	<u>659,474</u>
	<u>\$ 5,935,266</u>

**Note 21: Change in Accounting Principle**

In 2013, the Corporation 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 (ASU) 11-07, *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 Corporation's policies related to uncollectible accounts. The change had no effect on prior year change in net assets.

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

	<u>As Adjusted</u>	<u>As Previously Reported</u>	<u>Effect of Change</u>
Total unrestricted revenues, gains and other support	\$ 390,361,370	\$ 425,450,172	\$ (35,088,802)
Total expenses and losses	386,604,821	421,693,623	(35,088,802)

**Central Maine Healthcare Corporation  
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**Note 22: 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 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.

The state of Maine has currently indicated it will not expand the Medicaid program, which may result in revenues from newly covered individuals not offsetting the Corporation's reduced revenue from other Medicare/Medicaid programs.

## Supplementary Information

**Central Maine Healthcare Corporation  
and Subsidiaries**  
**Consolidating Schedule – Balance Sheet Information**  
**June 30, 2013**

	<b>Central Maine Healthcare Corporation (Parent)</b>	<b>Central Maine Medical Center</b>	<b>Central Maine Health Ventures, Inc. Consolidated</b>
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 7,226,445	\$ 27,714	\$ 5,534,573
Assets limited as to use - current	9,495,483	6,031,791	-
Patient accounts receivable, net of allowance; \$31,100,000	-	33,598,284	369,605
Short-term investments	7,245,165	5,259,314	120
Estimated amounts due from third-party payers - current	-	33,286,850	-
Supplies	-	2,180,827	16,372
Prepaid expenses and other	4,285,522	7,668,017	390,801
Due from affiliates	24,920,997	-	-
Total current assets	<u>53,173,612</u>	<u>88,052,797</u>	<u>6,311,471</u>
<b>Assets Limited As To Use</b>			
Internally designated	21,241,304	-	-
Externally restricted by donors	23,572,023	2,281,412	-
Held by trustee under bond indenture agreements	-	13,177,877	-
Held by trustee for self-insurance trust	4,165,607	4,169,159	-
	<u>48,978,934</u>	<u>19,628,448</u>	<u>-</u>
Less amount required to meet current obligations	9,495,483	6,031,791	-
	<u>39,483,451</u>	<u>13,596,657</u>	<u>-</u>
<b>Property and Equipment, Net</b>	<u>18,447,177</u>	<u>153,615,865</u>	<u>1,540,393</u>
<b>Other Assets</b>			
Estimated amounts due from third-party payers	-	9,074,154	-
Interest in net assets of CMHC	-	22,394,685	-
Deferred compensation plan assets	22,165,901	2,563,495	1,931,884
Investment in equity investees	482,723	3,044,654	2,111,129
Notes receivable	4,368,117	-	-
Other	15,636,093	8,790,768	5,471,239
	<u>42,652,834</u>	<u>45,867,756</u>	<u>9,514,252</u>
Total assets	<u>\$ 153,757,074</u>	<u>\$ 301,133,075</u>	<u>\$ 17,366,116</u>

<b>CWM Insurance Ltd.</b>	<b>Other Central Maine Affiliates</b>	<b>Rumford Hospital and Affiliates</b>	<b>Bridgton Hospital</b>	<b>Eliminations and Reclassifications</b>	<b>Central Maine Healthcare Corporation Consolidated</b>
\$ 7,317,244	\$ -	\$ 5,781,052	\$ 24,655,974	\$ (40,272,891)	\$ 10,270,111
-	-	185,835	433,756	-	16,146,865
-	-	4,061,947	4,927,606	-	42,957,442
-	-	189,472	263,949	-	12,958,020
-	-	2,674,109	1,221,233	(1,081,359)	36,100,833
-	-	257,584	321,008	-	2,775,791
3,383,253	43,794	296,664	323,258	-	16,391,309
-	730,826	-	-	(25,651,823)	-
<u>10,700,497</u>	<u>774,620</u>	<u>13,446,663</u>	<u>32,146,784</u>	<u>(67,006,073)</u>	<u>137,600,371</u>
-	5,245	2,633,205	4,052,922	-	27,932,676
-	-	1,078,286	3,483,961	-	30,415,682
-	-	390,091	1,266,616	-	14,834,584
28,540,911	-	-	-	-	36,875,677
<u>28,540,911</u>	<u>5,245</u>	<u>4,101,582</u>	<u>8,803,499</u>	<u>-</u>	<u>110,058,619</u>
-	-	185,835	433,756	-	16,146,865
<u>28,540,911</u>	<u>5,245</u>	<u>3,915,747</u>	<u>8,369,743</u>	<u>-</u>	<u>93,911,754</u>
-	1,737,904	13,874,756	15,592,798	-	204,808,893
-	-	-	-	(3,994,945)	5,079,209
-	-	-	-	(22,394,685)	-
-	-	-	-	-	26,661,280
-	1,746,611	-	-	-	7,385,117
-	-	-	-	-	4,368,117
-	-	677,947	1,133,339	(19,842,364)	11,867,022
-	1,746,611	677,947	1,133,339	(46,231,994)	55,360,745
<u>\$ 39,241,408</u>	<u>\$ 4,264,380</u>	<u>\$ 31,915,113</u>	<u>\$ 57,242,664</u>	<u>\$ (113,238,067)</u>	<u>\$ 491,681,763</u>

**Central Maine Healthcare Corporation  
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**Consolidating Schedule – Balance Sheet Information**  
**June 30, 2013**

	Central Maine Healthcare Corporation (Parent)	Central Maine Medical Center	Central Maine Health Ventures, Inc. Consolidated
<b>Liabilities and Net Assets</b>			
<b>Current Liabilities</b>			
Line of credit - current portion	\$ 9,434,103	\$ 908,495	\$ -
Current maturities of long-term debt	61,380	5,123,296	-
Accounts payable	2,452,939	10,096,913	547,424
Accrued expenses	4,376,676	15,996,073	414,623
Cash overdraft	-	37,794,652	-
Due to affiliates	-	17,855,864	830,012
Estimated amounts due to third-party payers	-	-	1,081,359
Total current liabilities	16,325,098	87,775,293	2,873,418
<b>Estimated Self-Insurance Costs</b>	230,372	1,578,267	-
<b>Line of Credit</b>	-	-	-
<b>Long-Term Debt</b>	23,578	126,540,490	-
<b>Estimated Amounts Due to Third-Party Payers Long-Term</b>	-	-	-
<b>Pension Liabilities</b>	31,315,974	5,350,673	-
<b>Asset Retirement Obligations</b>	-	1,973,459	-
<b>Other Long-Term Liabilities</b>	9,894,907	-	310,791
Total liabilities	57,789,929	223,218,182	3,184,209
<b>Net Assets</b>			
Unrestricted	73,238,173	53,243,108	-
Temporarily restricted	6,036,370	5,898,492	-
Permanently restricted	16,692,602	18,773,293	-
Partners' capital	-	-	-
Paid-in capital	-	-	43,544,129
Unrealized losses on investments	-	-	(12,163,375)
Retained earnings (deficit)	-	-	(17,198,847)
Total net assets	95,967,145	77,914,893	14,181,907
Total liabilities and net assets	\$ 153,757,074	\$ 301,133,075	\$ 17,366,116

<b>CWM Insurance Ltd.</b>	<b>Other Central Maine Affiliates</b>	<b>Rumford Hospital and Affiliates</b>	<b>Bridgton Hospital</b>	<b>Eliminations and Reclassifications</b>	<b>Central Maine Healthcare Corporation Consolidated</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,342,598
-	-	277,204	586,739	-	6,048,619
600,994	63,566	1,288,504	853,501	-	15,903,841
-	144,035	1,958,731	2,154,345	-	25,044,483
-	2,478,239	-	-	(40,272,891)	-
-	-	2,971,521	3,994,426	(25,651,823)	-
-	-	-	-	(1,081,359)	-
600,994	2,685,840	6,495,960	7,589,011	(67,006,073)	57,339,541
15,994,338	-	-	-	-	17,802,977
-	-	-	-	-	-
-	-	3,723,553	8,813,474	-	139,101,095
-	-	1,128,414	2,866,531	(3,994,945)	-
-	-	3,200,597	-	-	39,867,244
-	-	401,224	564,601	-	2,939,284
-	-	-	-	-	10,205,698
16,595,332	2,685,840	14,949,748	19,833,617	(71,001,018)	267,255,839
-	(601,344)	16,468,303	33,764,744	19,165,503	195,278,487
-	-	243,323	2,504,659	(5,213,577)	9,469,267
-	-	253,739	1,139,644	(17,181,108)	19,678,170
50,000	-	-	-	(50,000)	-
4,400,000	3,721,669	-	-	(51,665,798)	-
-	-	-	-	12,163,375	-
18,196,076	(1,541,785)	-	-	544,556	-
22,646,076	1,578,540	16,965,365	37,409,047	(42,237,049)	224,425,924
\$ 39,241,408	\$ 4,264,380	\$ 31,915,113	\$ 57,242,664	\$ (113,238,067)	\$ 491,681,763

# Central Maine Healthcare Corporation and Subsidiaries

## Consolidating Schedule – Statement of Operations Information Year Ended June 30, 2013

	Central Maine Healthcare Corporation (Parent)	Central Maine Medical Center	Central Maine Health Ventures, Inc. Consolidated
<b>Unrestricted Revenues, Gains and Other Support</b>			
Patient service revenue (net of contractual discounts and allowances)	\$ -	\$ 304,571,926	\$ 5,504,485
Provision for uncollectible accounts	57,652	26,634,344	(335,429)
Net patient service revenue less provision for uncollectible accounts	(57,652)	277,937,582	5,839,914
Other revenue	1,237,667	18,047,600	1,018,097
Net assets released from restrictions used for operations	1,885,673	29,475	-
<b>Total unrestricted revenues, gains and other support</b>	<b>3,065,688</b>	<b>296,014,657</b>	<b>6,858,011</b>
<b>Expenses and Losses</b>			
Salaries, wages and employee benefits	1,103,130	182,605,636	3,990,369
Supplies and other	2,950,550	98,925,215	3,268,208
Depreciation and amortization	230,485	21,162,525	232,260
Interest	(9,500)	6,225,423	-
<b>Total expenses and losses</b>	<b>4,274,665</b>	<b>308,918,799</b>	<b>7,490,837</b>
<b>Operating Income (Loss)</b>	<b>(1,208,977)</b>	<b>(12,904,142)</b>	<b>(632,826)</b>
<b>Other Income (Expense)</b>			
Investment return	894,332	169,671	1,596
Realized gains (losses) on sale of investments	2,013,697	165,146	-
Change in unrealized gains (losses) on investments	(211,019)	(112,300)	-
Gain (loss) on investment in equity investees	587,125	286,176	1,101,711
Loss on extinguishment of debt	-	(587,465)	-
Other	412,468	7,945	-
<b>Total other income (expense)</b>	<b>3,696,603</b>	<b>(70,827)</b>	<b>1,103,307</b>
<b>Excess (Deficiency) of Revenues Over Expenses</b>	<b>2,487,626</b>	<b>(12,974,969)</b>	<b>470,481</b>
Net assets released from restriction used for purchase of property and equipment	962,595	1,317,283	-
Transfers to (from) affiliates	10,000,000	-	-
Grant funds used for acquisition of property and equipment	-	138,062	-
Change in defined benefit pension plan gains and losses	11,331,067	-	-
<b>Increase (Decrease) in Unrestricted Net Assets</b>	<b>\$ 24,781,288</b>	<b>\$ (11,519,624)</b>	<b>\$ 470,481</b>

<b>CWM Insurance Ltd.</b>	<b>Other Central Maine Affiliates</b>	<b>Rumford Hospital and Affiliates</b>	<b>Bridgton Hospital</b>	<b>Eliminations and Reclassification</b>	<b>Central Maine Healthcare Corporation Consolidated</b>
\$ -	\$ -	\$ 38,967,655	\$ 46,357,054	\$ -	\$ 395,401,120
-	-	2,813,059	3,566,466	-	32,736,092
-	-	36,154,596	42,790,588	-	362,665,028
9,053,892	632,208	1,159,258	823,340	(9,034,147)	22,937,915
-	-	18,211	15,081	-	1,948,440
<u>9,053,892</u>	<u>632,208</u>	<u>37,332,065</u>	<u>43,629,009</u>	<u>(9,034,147)</u>	<u>387,551,383</u>
-	452,387	25,384,386	26,871,499	-	240,407,407
5,926,800	381,199	11,317,072	13,479,630	(10,147,930)	126,100,744
-	49,808	1,279,592	1,414,943	-	24,369,613
-	-	182,504	472,572	-	6,870,999
<u>5,926,800</u>	<u>883,394</u>	<u>38,163,554</u>	<u>42,238,644</u>	<u>(10,147,930)</u>	<u>397,748,763</u>
<u>3,127,092</u>	<u>(251,186)</u>	<u>(831,489)</u>	<u>1,390,365</u>	<u>1,113,783</u>	<u>(10,197,380)</u>
259,858	-	65,337	78,765	-	1,469,559
174,011	-	125,553	221,667	-	2,700,074
34,825	-	(4,160)	2,049	-	(290,605)
-	(288,326)	-	-	-	1,686,686
-	-	-	-	-	(587,465)
(59,950)	683,656	47,347	48,031	-	1,139,497
<u>408,744</u>	<u>395,330</u>	<u>234,077</u>	<u>350,512</u>	<u>-</u>	<u>6,117,746</u>
3,535,836	144,144	(597,412)	1,740,877	1,113,783	(4,079,634)
-	-	-	34,000	(1,113,783)	1,200,095
(10,000,000)	-	-	-	-	-
-	-	-	33,655	-	171,717
-	-	-	-	-	11,331,067
<u>\$ (6,464,164)</u>	<u>\$ 144,144</u>	<u>\$ (597,412)</u>	<u>\$ 1,808,532</u>	<u>\$ -</u>	<u>\$ 8,623,245</u>

# Central Maine Healthcare Corporation and Subsidiaries

## Consolidating Schedule – Statement of Changes in Net Assets Information Year Ended June 30, 2013

	Central Maine Healthcare Corporation (Parent)	Central Maine Medical Center	Central Maine Health Ventures, Inc. Consolidated
<b>Unrestricted Net Assets</b>			
Excess (deficiency) of revenues over expenses	\$ 2,487,626	\$ (12,974,969)	\$ 470,481
Transfers to (from) affiliates	10,000,000	-	-
Net assets released from restriction used for purchase of property and equipment	962,595	1,317,283	-
Grant funds used for acquisition of property and equipment	-	138,062	-
Change in defined benefit pension plan gains and losses	11,331,067	-	-
	<u>24,781,288</u>	<u>(11,519,624)</u>	<u>470,481</u>
Increase (decrease) in unrestricted net assets			
<b>Temporarily Restricted Net Assets</b>			
Contributions received	2,484,556	1,326,174	-
Investment return	1,008,386	195,155	-
Change in net assets of CMHC	-	(146,653)	-
Change in donor designation	(750,000)	-	-
Net assets released from restriction	(2,848,268)	(1,346,758)	-
	<u>(105,326)</u>	<u>27,918</u>	<u>-</u>
Increase (decrease) in temporarily restricted net assets			
<b>Permanently Restricted Net Assets</b>			
Contributions received	14,135	203,110	-
Change in beneficial interest of perpetual trusts	52,102	-	-
Change in donor designation	750,000	-	-
Change in net assets of CMHC	-	815,987	-
	<u>816,237</u>	<u>1,019,097</u>	<u>-</u>
Increase (decrease) in permanently restricted net assets			
<b>Change in Net Assets</b>	25,492,199	(10,472,609)	470,481
<b>Net Assets, Beginning of Year</b>	<u>70,474,946</u>	<u>88,387,502</u>	<u>13,711,426</u>
<b>Net Assets, End of Year</b>	<u>\$ 95,967,145</u>	<u>\$ 77,914,893</u>	<u>\$ 14,181,907</u>

<b>CWM Insurance Ltd.</b>	<b>Other Central Maine Affiliates</b>	<b>Rumford Hospital and Affiliates</b>	<b>Bridgton Hospital</b>	<b>Eliminations and Reclassification</b>	<b>Central Maine Healthcare Corporation Consolidated</b>
\$ 3,535,836 (10,000,000)	\$ 144,144 -	\$ (597,412) -	\$ 1,740,877 -	\$ 1,113,783 -	\$ (4,079,634) -
-	-	-	34,000	(1,113,783)	1,200,095
-	-	-	33,655	-	171,717
-	-	-	-	-	11,331,067
<u>(6,464,164)</u>	<u>144,144</u>	<u>(597,412)</u>	<u>1,808,532</u>	<u>-</u>	<u>8,623,245</u>
-	-	9,804	34,891	(1,113,783)	2,741,642
-	-	-	69,168	-	1,272,709
-	-	-	-	146,653	-
-	-	-	-	-	(750,000)
-	-	(18,211)	(49,081)	1,113,783	(3,148,535)
-	-	(8,407)	54,978	146,653	115,816
-	-	-	1,000	-	218,245
-	-	(836)	25,639	-	76,905
-	-	-	-	-	750,000
-	-	-	-	(815,987)	-
-	-	(836)	26,639	(815,987)	1,045,150
(6,464,164)	144,144	(606,655)	1,890,149	(669,334)	9,784,211
<u>29,110,240</u>	<u>1,434,396</u>	<u>17,572,020</u>	<u>35,518,898</u>	<u>(41,567,715)</u>	<u>214,641,713</u>
<u>\$ 22,646,076</u>	<u>\$ 1,578,540</u>	<u>\$ 16,965,365</u>	<u>\$ 37,409,047</u>	<u>\$ (42,237,049)</u>	<u>\$ 224,425,924</u>