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Form 990  Department of the Treasury Internal Revenue Service	Return of Organization Exempt From Income Tax Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)	OMB No 1545-0047
	The organization may have to use a copy of this return to satisfy state reporting requirements	<div> <div>2011</div> <div>Open to Public Inspection</div> </div>

A For the 2011 calendar year, or tax year beginning 05-01-2011 and ending 04-30-2012		D Employer identification number 01-0211797	
B Check if applicable <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization MOUNT DESERT ISLAND HOSPITAL Doing Business As Number and street (or P O box if mail is not delivered to street address) Room/suite PO Box 8 10 Wayman Lane City or town, state or country, and ZIP + 4 Bar Harbor, ME 046090008 F Name and address of principal officer Arthur Blank 10 Wayman Lane PO Box 8 Bar Harbor, ME 046090008		E Telephone number (207) 288-5081
I Tax-exempt status <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () (insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		G Gross receipts \$ 54,021,105	
J Website: www.mdihospital.org		H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions) H(c) Group exemption number	
K Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other		L Year of formation 1897	M State of legal domicile ME

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities Mount Desert Island Hospital's mission is to provide compassionate care and strengthen the health of our community by embracing tomorrow's methods and respecting time-honored values		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	18
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	15
	5 Total number of individuals employed in calendar year 2011 (Part V, line 2a)	5	526
	6 Total number of volunteers (estimate if necessary)	6	290
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	0
	7b Net unrelated business taxable income from Form 990-T, line 34	7b	0
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	1,540,806	2,017,517
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	49,496,610	50,482,649
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	28,647	591,026
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	801,092	926,297
		51,867,155	54,017,489
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	0
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	30,191,177	32,391,277
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b Total fundraising expenses (Part IX, column (D), line 25) <u>217,804</u>		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	21,299,884	22,644,074
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	51,491,061	55,035,351
	19 Revenue less expenses Subtract line 18 from line 12	376,094	-1,017,862
Net Assets or Fund Balances		Beginning of Current Year	End of Year
	20 Total assets (Part X, line 16)	52,909,124	52,560,561
	21 Total liabilities (Part X, line 26)	30,019,700	31,815,380
	22 Net assets or fund balances Subtract line 21 from line 20	22,889,424	20,745,181

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

Sign Here	<div> <div></div> <div>Signature of officer</div> </div>			<div>2013-03-15</div> <div>Date</div>
	<div> <div></div> <div>Christina Harding CFO</div> <div>Type or print name and title</div> </div>			
Paid Preparer's Use Only	<div>Preparer's signature</div> <div></div>	Date	<div>Check if self-employed</div> <div><input checked="" type="checkbox"/></div>	Preparer's taxpayer identification number (see instructions)
	<div>Firm's name (or yours if self-employed), address, and ZIP + 4</div> <div></div>			EIN
				Phone no

Part III

Statement of Program Service Accomplishments

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

1

Briefly describe the organization’s mission

Mount Desert Island Hospital's mission is to provide compassionate care and strengthen the health of our community by embracing tomorrow's methods and respecting time-honored values

2

Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?

☐ Yes ☒ No

If “Yes,” describe these new services on Schedule O

3

Did the organization cease conducting, or make significant changes in how it conducts, any program services?

☐ Yes ☒ No

If “Yes,” describe these changes on Schedule O

4

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

4a

(Code) (Expenses \$ 41,889,300 including grants of \$ 0) (Revenue \$ 51,408,946)

Patient Care Mount Desert Island Hospital's mission statement is described in Part II, Line 1 above In Fiscal Year 2012, MDI Hospital provided \$863,130 in services for which no compensation was expected or received Policies exist to provide relief for those who cannot pay for medical care MDI Hospital provides care to persons covered by governmental programs including Medicare, Medicaid and Champus The unreimbursed value for providing care to these patients approximates \$12,750,000 The Hospital provides a number of health services and preventative health programs to the community Most of these programs are either covered by insurance, are offered at very low costs or are free to the community Available programs include cardiac pulmonary rehabilitation, wellness programs, diabetes education, nutrition counseling, parenting, pregnancy and sibling classes and physical and occupational therapy programs Throughout the year, staff from the hospital make presentations to area school children regarding smoking cessation and health nutrition Additionally, community groups such as Alcoholics Anonymous use the hospital's conference rooms for their meetings

4b

(Code) (Expenses \$ including grants of \$) (Revenue \$)

4c

(Code) (Expenses \$ including grants of \$) (Revenue \$)

4d












Other program services (Describe in Schedule O)

(Expenses \$ 0 including grants of \$ 0) (Revenue \$ 0)

4e

Total program service expenses \$ 41,889,300

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A 	1 Yes	
2 Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)? 	2 Yes	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I	3	No
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II 	4 Yes	
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III	5	No
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I	6	No
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," complete Schedule D, Part II	7	No
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III	8	No
9 Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV	9	No
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V 	10 Yes	
11 If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI. 	11a Yes	
b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII.	11b	No
c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII.	11c	No
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX. 	11d Yes	
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X. 	11e Yes	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X.	11f	No
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII 	12a Yes	
b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional 	12b Yes	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13	No
14a Did the organization maintain an office, employees, or agents outside of the United States?	14a	No
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Part I	14b	No
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U S ? If "Yes," complete Schedule F, Part II and IV	15	No
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U S ? If "Yes," complete Schedule F, Part III and IV	16	No
17 Did the organization report a total of more than \$15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I	17	No
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	18	No
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	19	No
20a Did the organization operate one or more hospitals? If "Yes," complete Schedule H 	20a Yes	
b If "Yes" to line 20a, did the organization attach its audited financial statement to this return? Note. All Form 990 filers that operated one or more hospitals must attach audited financial statements 	20b Yes	

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21		No
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>	22		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 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>	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer questions 24b-24d and complete Schedule K. If "No," go to line 25</i>	24a	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		No
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	25a		No
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>	25b		No
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>	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i>	27		No
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>	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b		No
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 owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c	Yes	
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29	Yes	
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>	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
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>	32		No
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>	33		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>	34	Yes	
35a	Is any related organization a controlled entity of the filing organization within the meaning of section 512(b)(13)?	35a		No
b	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>	35b		No
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36		No
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>	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O	38	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance			Yes	No
Check if Schedule O contains a response to any question in this Part V <input type="checkbox"/>				
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable. .	1a61		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	1b0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	Yes	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements filed for the calendar year ending with or within the year covered by this return. .	2a526		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	2b		
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a		No
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.	3b		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account or securities account)?	4a		No
b	If "Yes," enter the name of the foreign country: See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.			
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b		No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?	6a		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b		
7	Organizations that may receive deductible contributions under section 170(c).	7a		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7b		
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7c		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7d		
d	If "Yes," indicate the number of Forms 8282 filed during the year.			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e		
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f		
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h		
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8		
9	Sponsoring organizations maintaining donor advised funds.	9a		
a	Did the organization make any taxable distributions under section 4966?	9b		
b	Did the organization make a distribution to a donor, donor advisor, or related person?			
10	Section 501(c)(7) organizations. Enter	10a		
a	Initiation fees and capital contributions included on Part VIII, line 12.	10b		
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.			
11	Section 501(c)(12) organizations. Enter	11a		
a	Gross income from members or shareholders.	11b		
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).			
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	12b		
13	Section 501(c)(29) qualified nonprofit health insurance issuers.	13a		
a	Is the organization licensed to issue qualified health plans in more than one state? Note. All 501(c)(29) organizations must list in Schedule O each state in which they are licensed to issue qualified health plans, the amount of reserves required by each state, and the amount of reserves the organization allocated to each state.	13b		
b	Enter the aggregate amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.	13c		
c	Enter the aggregate amount of reserves on hand.			
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a		No
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.	14b		

Part VI

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

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year		
1a	18		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	15
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5	No
6	Did the organization have members or stockholders?	6	No
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?	7a	No
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
a	The governing body?	8a	Yes
b	Each committee with authority to act on behalf of the governing body?	8b	Yes
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	9	No

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

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

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed <input checked="" type="checkbox"/> ME
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. <input checked="" type="checkbox"/> Own website <input checked="" type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request
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. See Additional Data Table.
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization <input checked="" type="checkbox"/> Arthur Blank 10 Wayman Lane Bar Harbor, ME 046090008 (207) 288-5081

Part VII

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

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

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

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

- List all of the organization’s **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees 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, or 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 organizations compensated any current or former officer, director, or trustee

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(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) Arthur J Blank President and CEO	40	X		X				284,722	0	42,502
(2) John Adams MD Board Member	1	X						0	0	0
(3) John Benson MD Boardmember	1	X						0	0	0
(4) Michael Bonsey Chairman	5	X		X				0	0	0
(5) Stewart Brecher Board Member	1	X						0	0	0
(6) Mary Dudzik MD Board Member and Family Physician	40	X						182,833	0	26,939
(7) David Einhorn Esq Board Member	1	X						0	0	0
(8) Kathleen Field Board Member	1	X						0	0	0
(9) Julius Krevans MD Board Member	1	X						0	0	0
(10) Julian Kuffler MD 2nd Vice Chair & Family Physician	40	X						220,958	0	27,208
(11) Dean Read Board Member	1	X						0	0	0
(12) Mickey Shattow Board Member	1	X						0	0	0
(13) Patricia Hand PhD Board Member	1	X						0	0	0
(14) Elsie Flemings Board Member	1	X						0	0	0
(15) Noelle Wolf Board Member	1	X						0	0	0
(16) Vince Messer 1st Vice Chair	3	X		X				0	0	0
(17) James Bright Board member	1	X						0	0	0

Part VII

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(18) David Painter Board Member and Family Physician	40	X						144,795	0	29,600
(19) Chrstina M Harding CFO/VP of Finance	40			X				46,584	0	8,612
(20) Bradley Perkins CFO/VP of Finance	40			X				116,052	0	10,389
(21) Audrey Reed Secretary	40			X				48,755	0	23,678
(22) Brian Caine Family Physician	40					X		218,984	0	5,262
(23) Michael Heniser Family Physician	40					X		300,837	0	19,799
(24) Ronald Prokopius Internal medicine Physician	40					X		299,117	0	33,096
(25) Edward White Orthopedic Surgeon	40					X		330,069	0	41,996
(26) Stuart Davidson Orthopedic Surgeon	40					X		427,848	0	41,112
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								2,621,554	0	310,193

2

Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization

41

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

Section B. Independent Contractors

1

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

(A) Name and business address	(B) Description of services	(C) Compensation
Bay View Physical Therapy 125 Oak Street Ellsworth, ME 04605	Physical Therapy	642,147
NEHE MRI LLC PO Box 415220 Boston, MA 022415220	medical testing MRI	411,205
J&D Imaging PO Box 213 Bar Harbor, ME 04609	Imaging test reading	357,145
Rao Surapememi P Ramanadha MD 50 358 Broad st suite 207 Bangor, ME 04401	Urologist	357,000
Dahl Chase Diagnostic Services 417 State Street Suite 441 Bangor, ME 04401	pathology services	161,954
2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization		7

Part VIII Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns . . .	1a	0				
	b	Membership dues	1b	0				
	c	Fundraising events	1c	0				
	d	Related organizations	1d	0				
	e	Government grants (contributions)	1e	15,281				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	2,002,236				
	g	Noncash contributions included in lines 1a-1f \$ 549,196						
	h	Total. Add lines 1a-1f		2,017,517				
Program Service Revenue			Business Code					
	2a	Patient Service Revenue	900099	28,394,834	28,394,834	0	0	
	b	Medicare/Medicaid payments	900099	22,087,815	22,087,815	0	0	
	c							
	d							
	e							
	f	All other program service revenue		0	0	0	0	
	g	Total. Add lines 2a-2f		50,482,649				
Other Revenue	3	Investment income (including dividends, interest and other similar amounts)		274,589	0	0	274,589	
	4	Income from investment of tax-exempt bond proceeds . .		3,616	0	0	3,616	
	5	Royalties		0	0	0	0	
	6a	(i) Real		(ii) Personal				
	b	Less rental expenses						
	c	Rental income or (loss)	0	0				
	d	Net rental income or (loss)						
	7a	(i) Securities		(ii) Other				
	b	Less cost or other basis and sales expenses	3,616	0				
	c	Gain or (loss)	312,821	0				
	d	Net gain or (loss)		312,821	0	0	312,821	
	8a	Gross income from fundraising events (not including \$ 0 of contributions reported on line 1c) See Part IV, line 18	a					
	b	Less direct expenses	b					
	c	Net income or (loss) from fundraising events . .						
	9a	Gross income from gaming activities See Part IV, line 19	a					
	b	Less direct expenses	b					
c	Net income or (loss) from gaming activities . .							
10a	Gross sales of inventory, less returns and allowances	a						
b	Less cost of goods sold	b						
c	Net income or (loss) from sales of inventory . .							
Miscellaneous Revenue		Business Code						
11a	Cafeteria Sales	900099	199,021	199,021	0	0		
b	Miscellaneous Income-Eden	900099	88,119	88,119	0	0		
c	Misc income - HC Admin	900099	151,757	151,757	0	0		
d	All other revenue		487,400	487,400	0	0		
e	Total. Add lines 11a-11d		926,297					
12	Total revenue. See Instructions		54,017,489	51,408,946	0	591,026		

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) but are not required to complete columns (B), (C), and (D)
Check if Schedule O contains a response to any question in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the United States See Part IV, line 21	0	0		
2	Grants and other assistance to individuals in the United States See Part IV, line 22	0	0		
3	Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16	0	0		
4	Benefits paid to or for members	0	0		
5	Compensation of current officers, directors, trustees, and key employees	868,576	0	868,576	0
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0	0	0	0
7	Other salaries and wages	22,850,497	17,154,841	5,570,656	125,000
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	628,862	454,825	170,723	3,314
9	Other employee benefits	6,452,865	4,667,107	1,751,843	33,915
10	Payroll taxes	1,590,477	1,150,314	431,781	8,382
11	Fees for services (non-employees)				
a	Management	0	0	0	0
b	Legal	105,150	0	105,150	0
c	Accounting	85,487	0	85,487	0
d	Lobbying	0	0	0	0
e	Professional fundraising See Part IV, line 17	0			0
f	Investment management fees	-41,848	0	-41,848	0
g	Other	0	0	0	0
12	Advertising and promotion	90,218	0	90,218	0
13	Office expenses	4,752,857	4,627,244	125,613	0
14	Information technology	0	0	0	0
15	Royalties	0	0	0	0
16	Occupancy	836,689	669,351	167,338	0
17	Travel	44,257	30,261	13,996	0
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0	0	0	0
19	Conferences, conventions, and meetings	262,178	130,101	132,077	0
20	Interest	804,178	644,410	159,768	0
21	Payments to affiliates	0	0	0	0
22	Depreciation, depletion, and amortization	2,170,997	1,736,798	434,199	0
23	Insurance	921,374	831,530	89,844	0
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a	Purchased Services	5,746,697	3,983,157	1,763,540	0
b	Bad debt expense	3,091,286	3,091,286	0	0
c	Physician fees	1,357,714	1,332,714	25,000	0
d	Hospital provider tax	871,620	871,620	0	0
e					
f	All other expenses	1,545,220	513,741	984,286	47,193
25	Total functional expenses. Add lines 1 through 24f	55,035,351	41,889,300	12,928,247	217,804
26	Joint costs. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X

Balance Sheet

					(A)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing			0	1	0
	2	Savings and temporary cash investments			34,647	2	45,798
	3	Pledges and grants receivable, net			2,976,580	3	2,768,971
	4	Accounts receivable, net			4,988,287	4	5,020,765
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L			0	5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L			0	6	
	7	Notes and loans receivable, net			0	7	
	8	Inventories for sale or use			515,042	8	533,456
	9	Prepaid expenses and deferred charges			148,458	9	172,391
	10a	Land, buildings, and equipment, cost or other basis. Complete Part VI of Schedule D	10a	44,796,979			
	b	Less: accumulated depreciation	10b	21,454,862	24,091,510	10c	23,342,117
	11	Investments—publicly traded securities			13,875,549	11	12,789,380
	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			6,279,051	15	7,887,683
	16	Total assets. Add lines 1 through 15 (must equal line 34)			52,909,124	16	52,560,561
Liabilities	17	Accounts payable and accrued expenses			11,945,764	17	13,236,501
	18	Grants payable			0	18	0
	19	Deferred revenue			0	19	38,837
	20	Tax-exempt bond liabilities			5,382,336	20	4,784,067
	21	Escrow or custodial account liability. Complete Part IV of Schedule D			0	21	0
	22	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			10,252,880	23	9,806,150
	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			2,438,720	25	3,949,825
	26	Total liabilities. Add lines 17 through 25			30,019,700	26	31,815,380
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.						
	27	Unrestricted net assets			15,829,167	27	13,622,451
	28	Temporarily restricted net assets			5,051,084	28	5,222,565
	29	Permanently restricted net assets			2,009,173	29	1,900,165
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.						
	30	Capital stock or trust principal, or current funds				30	
	31	Paid-in or capital surplus, or land, building or equipment fund				31	
	32	Retained earnings, endowment, accumulated income, or other funds				32	
	33	Total net assets or fund balances			22,889,424	33	20,745,181
	34	Total liabilities and net assets/fund balances			52,909,124	34	52,560,561

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	54,017,489
2	Total expenses (must equal Part IX, column (A), line 25)	2	55,035,351
3	Revenue less expenses Subtract line 2 from line 1	3	-1,017,862
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	22,889,424
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-1,126,381
6	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	20,745,181

Part XII Financial Statements and Reporting

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

		Yes	No
1	Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		No
b	Were the organization's financial statements audited by an independent accountant?	Yes	
c	If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	Yes	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input checked="" type="checkbox"/> Both consolidated and separated basis		
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?		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		

SCHEDULE A
(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2011

Open to Public
Inspection

Name of the organization MOUNT DESERT ISLAND HOSPITAL	Employer identification number 01-0211797
--	--

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 **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 - Other

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 the supported organization?

(ii)

a family member of a person described in (i) above?

(iii)

a 35% controlled entity of a person described in (i) or (ii) above?

h

☐

Provide the following information about the supported organization(s)

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

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

Part II

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

Section A. Public Support						
Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public Support. Subtract line 5 from line 4						

Section B. Total Support							
Calendar year (or fiscal year beginning in)		(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
7	Amounts from line 4						
8	Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9	Net income from unrelated business activities, whether or not the business is regularly carried on						
10	Other income (Explain in Part IV) Do not include gain or loss from the sale of capital assets						
11	Total support (Add lines 7 through 10)						
12	Gross receipts from related activities, etc (See instructions)					12	
13	First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here						

Section C. Computation of Public Support Percentage		
14	Public Support Percentage for 2011 (line 6 column (f) divided by line 11 column (f))	14
15	Public Support Percentage for 2010 Schedule A, Part II, line 14	15
16a	33 1/3% support test—2011. 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—2010. If the organization did not check the 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—2011. 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—2010. 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 IIIPart III

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

Section A. Public Support						
Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public Support (Subtract line 7c from line 6)						

Section B. Total Support						
Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support (Add lines 9, 10c, 11 and 12.)						
14 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here						

Section C. Computation of Public Support Percentage		
15 Public Support Percentage for 2011 (line 8 column (f) divided by line 13 column (f))	15	
16 Public support percentage from 2010 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage		
17 Investment income percentage for 2011 (line 10c column (f) divided by line 13 column (f))	17	
18 Investment income percentage from 2010 Schedule A, Part III, line 17	18	
19a 33 1/3% support tests—2011. If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization		
b 33 1/3% support tests—2010. 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. Supplemental Information. Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

Explanation

SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

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

OMB No 1545-0047

2011

Open to Public Inspection

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

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

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

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

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

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

Name of the organization MOUNT DESERT ISLAND HOSPITAL	Employer identification number 01-0211797
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Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

1	Provide a description of the organization's direct and indirect political campaign activities on behalf of or in opposition to candidates for public office 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?	<input type="checkbox"/> Yes <input type="checkbox"/> No
4a	Was a correction made?	<input type="checkbox"/> Yes <input type="checkbox"/> 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 funtion 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?	<input type="checkbox"/> Yes <input type="checkbox"/> 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-

Part II-A

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

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

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing Organization's Totals	(b) Affiliated Group Totals												
1a	Total lobbying expenditures to influence public opinion (grass roots lobbying)														
b	Total lobbying expenditures to influence a legislative body (direct lobbying)														
c	Total lobbying expenditures (add lines 1a and 1b)														
d	Other exempt purpose expenditures														
e	Total exempt purpose expenditures (add lines 1c and 1d)														
f	Lobbying nontaxable amount Enter the amount from the following table in both columns														
<table><tr><td>If the amount on line 1e, column (a) or (b) is:</td><td>The lobbying nontaxable amount is:</td></tr><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></table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000														
Over \$17,000,000	\$1,000,000														
g	Grassroots nontaxable amount (enter 25% of line 1f)														
h	Subtract line 1g from line 1a If zero or less, enter -0-														
i	Subtract line 1f from line 1c If zero or less, enter -0-														
j	If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?		<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) 2008	(b) 2009	(c) 2010	(d) 2011	(e) Total
2a Lobbying non-taxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots non-taxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Part II-B

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

		(a)		(b)	
		Yes	No	Amount	
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of				
	a Volunteers?		No		
	b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No		
	c Media advertisements?		No		
	d Mailings to members, legislators, or the public?		No		
	e Publications, or published or broadcast statements?		No		
	f Grants to other organizations for lobbying purposes?		No		
	g Direct contact with legislators, their staffs, government officials, or a legislative body?		No		
	h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No		
	i Other activities? If "Yes," describe in Part IV	Yes			1,797
	j Total lines 1c through 1i				1,797
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No		
b	If "Yes," enter the amount of any tax incurred under section 4912				
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912				
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?				

Part III-A

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

		Yes	No
1	Were substantially all (90% or more) dues received nondeductible by members?	1	
2	Did the organization make only in-house lobbying expenditures of \$2,000 or less?	2	
3	Did the organization agree to carryover 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) if BOTH Part III-A, lines 1 and 2 are answered "No" OR if Part III-A, line 3 is answered "Yes".

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

Part IV

Supplemental Information

Complete this part to provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, and Part II-B, line 1i. Also, complete this part for any additional information.

Identifier	Return Reference	Explanation
SchC_P2B_S00_L01	Schedule C, Part II-B, Line 1	This amount represents a portion of dues determined expended for specific lobbying purposes. These expenditures are defined as direct communications with certain members of federal, state or local government to influence legislation. These dues support the organizations advocacy and representation in its broadest sense, activities that are well beyond the scope of defined lobbying activities. For the Maine Hospital Association, total dues are 11,593, of which 15.5% are lobbying expenses or \$1,797. total lobbying expnses included in dues is \$1,797.

SCHEDULE D

(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2011

Open to Public
Inspection

Name of the organization
MOUNT DESERT ISLAND HOSPITAL

Employer identification number

01-0211797

Part I

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

	(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year	
2	Aggregate contributions to (during year)	
3	Aggregate grants from (during year)	
4	Aggregate value at end of year	
5	Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>	
6	Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>	

Part II

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

1

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

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

2

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

	Held at the End of the Year
a	Total number of conservation easements
b	Total acreage restricted by conservation easements
c	Number of conservation easements on a certified historic structure included in (a)
d	Number of conservation easements included in (c) acquired after 8/17/06

3

Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ▶ _____

4

Number of states where property subject to conservation easement is located ▶ _____

5

Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

☐ Yes ☐ No

6

Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year ▶ _____

7

Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ _____

8

Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)?

☐ Yes ☐ No

9

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

Part III

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

1a

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

b

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

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

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

2

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

a

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

b

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

For Privacy Act and Paperwork Reduction Act Notice, see the Intructions for Form 990

Cat No 52283D

Schedule D (Form 990) 2011

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

3

Using the organization's 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 XIV

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 XIV and complete the following table

	Amount
1c	
1d	
1e	
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 XIV

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

	(a)Current Year	(b)Prior Year	(c)Two Years Back	(d)Three Years Back	(e)Four Years Back
1a	Beginning of year balance	8,117,020	6,997,367	3,938,882	0
b	Contributions	0	17,162	1,801,964	5,077,190
c	Investment earnings or losses	-421,691	1,180,156	1,284,232	-974,551
d	Grants or scholarships	0	0	0	0
e	Other expenditures for facilities and programs	1,366,000	46,000	7,570	150,000
f	Administrative expenses	28,848	31,665	20,141	13,757
g	End of year balance	6,300,481	8,117,020	6,997,367	3,938,882

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶ 1 00 %

b

Permanent endowment ▶ 0 %

c

Term endowment ▶ 0 %

3a

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

(i)

unrelated organizations

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

(ii)

related organizations

3b		

b

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

4

Describe in Part XIV 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	0	3,322,148		3,322,148
b Buildings	0	21,801,737	10,950,594	10,851,143
c Leasehold improvements	0	235,558	0	235,558
d Equipment	0	14,458,724	10,504,268	3,954,456
e Other	0	4,978,812	0	4,978,812
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).)				23,342,117

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	54,017,489
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	55,035,351
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	-1,017,862
4	Net unrealized gains (losses) on investments	4	811,947
5	Donated services and use of facilities	5	0
6	Investment expenses	6	0
7	Prior period adjustments	7	0
8	Other (Describe in Part XIV)	8	1,318,559
9	Total adjustments (net) Add lines 4 - 8	9	2,130,506
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	1,112,644

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

1	Total revenue, gains, and other support per audited financial statements	1	52,497,411
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	0
b	Donated services and use of facilities	2b	0
c	Recoveries of prior year grants	2c	0
d	Other (Describe in Part XIV)	2d	-1,520,078
e	Add lines 2a through 2d	2e	-1,520,078
3	Subtract line 2e from line 1	3	54,017,489
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	0
b	Other (Describe in Part XIV)	4b	0
c	Add lines 4a and 4b	4c	0
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)	5	54,017,489

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

1	Total expenses and losses per audited financial statements	1	54,741,458
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities	2a	0
b	Prior year adjustments	2b	0
c	Other losses	2c	0
d	Other (Describe in Part XIV)	2d	-293,893
e	Add lines 2a through 2d	2e	-293,893
3	Subtract line 2e from line 1	3	55,035,351
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	0
b	Other (Describe in Part XIV)	4b	0
c	Add lines 4a and 4b	4c	0
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)	5	55,035,351

Part XIV 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, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

Identifier	Return Reference	Explanation
SchD_P05_S00_L04	Schedule D, Part V, Line 4	The quasi endowment funds are held for Hospital use and restricted by the Board of Directors. Interest may be used to fund operational expenses at the discretion of the Board of Directors. Principal funds are to be held in the quasi endowment to fund future liabilities including Earned Time Liabilities and Lines of Credit funding.
SchD_P11_S00_L08	Schedule D, Part XI, Line 8	Changes in pledges receivable 1,318,559
SchD_P12_S00_L02d	Schedule D, Part XII, Line 2d	Total of 1,520,010 represents items recorded as revenue below "Loss from operations" on audited financial statements: net assets released (941,578), Gifts and bequests (683,677), Interest income on investments (249,356), Investment management fees-now inc w/expenses 41,848, Other revenue (loss) below operating gain 312,821.
SchD_P13_S00_L02d	Schedule D, Part XIII, Line 2d	Fundraising expenses and Investment management fees recorded on the audited financial statements as other income (expense): Fundraising expenses 217,804, Other 34,242, Investment fees 41,848.

SCHEDULE H
(Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
MOUNT DESERT ISLAND HOSPITAL

Employer identification number

01-0211797

Part I

Charity Care and Certain Other Community Benefits at Cost

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

7

Charity Care and Certain Other Community Benefits at Cost

Charity Care and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Charity care at cost (from Worksheet 1)	0	0	624,918	0	624,918	1 14 %
b Medicaid (from Worksheet 3, column a)	0	0	5,656,636	5,193,842	462,794	0 84 %
c Costs of other means-tested government programs (from Worksheet 3, column b)	0	0	0	0	0	0 %
d Total Charity Care and Means-Tested Government Programs	0	0	6,281,554	5,193,842	1,087,712	1 98 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)	0	0	0	0	0	0 %
f Health professions education (from Worksheet 5)	0	0	12,126,115	8,126,050	4,000,065	7 27 %
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)						
j Total Other Benefits	0	0	12,126,115	8,126,050	4,000,065	7 27 %
k Total. Add lines 7d and 7j	0	0	18,407,669	13,319,892	5,087,777	9 25 %

Part IICommunity Building Activities

Complete this table if the organization conducted any community building activities.

	(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
1Physical improvements and housing						
2Economic development						
3Community support						
4Environmental improvements						
5Leadership development and training for community members						
6Coalition building						
7Community health improvement advocacy						
8Workforce development						
9Other						
10Total						

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

		Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No. 15?	1Yes	
2	Enter the amount of the organization's bad debt expense	23,091,286	
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy	32,238,133	
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit.		

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	515,280,621	
6	Enter Medicare allowable costs of care relating to payments on line 5	618,518,945	
7	Subtract line 6 from line 5. This is the surplus or (shortfall).	7-3,238,324	
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 checked="" type="checkbox"/> Cost accounting system <input 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?	9aYes	
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.	9bYes	

Part IVManagement Companies and Joint Ventures (see instructions)

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

Part V

Facility Information

Section A. Hospital Facilities

(list in order of size from largest to smallest)

How many hospital facilities did the organization operate during the tax year? 11

Name and address

		Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
1	Mount Desert Island Hospital 10 Wayman Lane PO Box 8 Bar Harbor, ME 046090008	X	X			X		X		
2	Cadillac Family Practice and Behavioral Health Center 322 Main Street Bar Harbor, ME 04609									Outpatient clinic
3	Cooper Gilmore Health Center 17 Hancock Road Bar Harbor, ME 04609									Outpatient clinic
4	Trenton Health Center 394 Bar Harbor Road Trenton, ME 04605									Outpatient clinic
5	Community Health Center 16 Community Lane Southwest Harbor, ME 04679									Outpatient clinic
6	Family Health Center 9 Hancock Road Bar Harbor, ME 04609									Outpatient Clinic
7	Women's Health Center 8 Wayman Lane Bar Harbor, ME 04609									Outpatient clinic
8	Northeast Harbor Clinic Kimball Road Northeast Harbor, ME 04679									Outpatient clinic
9	MDI Orthopedic clinic 10 Wayman Lane Bar Harbor, ME 04609									Outpatient Clinic
10	MDI Dermatology Clinic 322 Main Street Bar Harbor, ME 04609									Outpatient Clinic
11	MDI Urology Clinic 322 Main Street Bar Harbor, ME 04609									Outpatient Clinic

Part V Facility Information (continued)

Section B. Facility Policies and Practices.

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

Mount Desert Island Hospital

Name of Hospital Facility: _____

Line Number of Hospital Facility (from Schedule H, Part V, Section A): _____1_____

	Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2011)		
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8 If "Yes," indicate what the Needs Assessment describes (check all that apply) a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility b <input checked="" type="checkbox"/> Demographics of the community c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community d <input checked="" type="checkbox"/> How data was obtained e <input checked="" type="checkbox"/> The health needs of the community f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet those needs h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs j <input type="checkbox"/> Other (describe in Part VI)	1 Yes	
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 <u>11</u>		
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3 Yes	
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4	No
5 Did the hospital facility make its Needs Assessment widely available to the public? If "Yes," indicate how the Needs Assessment was made widely available (check all that apply) a <input checked="" type="checkbox"/> Hospital facility's website b <input checked="" type="checkbox"/> Available upon request from the hospital facility c <input type="checkbox"/> Other (describe in Part VI)	5 Yes	
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply) a <input checked="" type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community b <input checked="" type="checkbox"/> Execution of the implementation strategy c <input checked="" type="checkbox"/> Development of a community-wide community benefit plan for the facility d <input checked="" type="checkbox"/> Participation in community-wide community benefit plan e <input checked="" type="checkbox"/> Inclusion of a community benefit section in operational plans f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA g <input checked="" type="checkbox"/> Prioritization of health needs in the community h <input checked="" type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7	No
Financial Assistance Policy		
Did the hospital facility have in place during the tax year a written financial assistance policy that		
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8 Yes	
9 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>150</u> % If "No," explain in Part VI the criteria the hospital facility used	9 Yes	

Part V

Facility Information (continued)

		Yes	No	
10	Used FPG to determine eligibility for providing discounted care? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>250</u> % If "No," explain in Part VI the criteria the hospital facility used	10	Yes	
11	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply) a <input checked="" type="checkbox"/> Income level b <input checked="" type="checkbox"/> Asset level c <input checked="" type="checkbox"/> Medical indigency d <input checked="" type="checkbox"/> Insurance status e <input checked="" type="checkbox"/> Uninsured discount f <input checked="" type="checkbox"/> Medicaid/Medicare g <input checked="" type="checkbox"/> State regulation h <input type="checkbox"/> Other (describe in Part VI)	11	Yes	
12	Explained the method for applying for financial assistance?	12	Yes	
13	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) a <input checked="" type="checkbox"/> The policy was posted at all times on the hospital facility's web site b <input type="checkbox"/> The policy was attached to all 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 upon admission to the hospital facility f <input checked="" type="checkbox"/> The policy was available upon request g <input type="checkbox"/> Other (describe in Part VI)	13	Yes	

Billing and Collections

14	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?	14	Yes	
15	Check all of the following collection 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 checked="" type="checkbox"/> Reporting to credit agency b <input type="checkbox"/> Lawsuits c <input checked="" type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments or arrests e <input type="checkbox"/> Other similar actions (describe in Part VI)			
16	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 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)	16		No
17	Indicate which efforts the hospital facility made before initiating any of the actions checked in question 16 (check all that apply) a <input type="checkbox"/> Notified patients of the financial assistance policy upon admission b <input type="checkbox"/> Notified patients of the financial assistance policy prior to discharge c <input checked="" type="checkbox"/> Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills d <input checked="" type="checkbox"/> Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy e <input type="checkbox"/> Other (describe in Part VI)			

Part V

Facility Information (continued)

Policy Relating to Emergency Medical Care

		Yes	No
18	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? If "No," indicate why	Yes	
a	<input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions		
b	<input type="checkbox"/> The hospital facility's policy was not in writing		
c	<input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)		
d	<input type="checkbox"/> Other (describe in Part VI)		

Individuals Eligible for Financial Assistance

19	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	<input type="checkbox"/> The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged		
b	<input type="checkbox"/> The hospital facility used the average of it's three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged		
c	<input checked="" type="checkbox"/> The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged		
d	<input type="checkbox"/> Other (describe in Part VI)		
20	Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Part VI	20	No
21	Did the hospital facility charge any of its FAP-eligible patients an amount equal to the gross charge for services provided to that patient? If "Yes," explain in Part VI	21	No

Part V

Facility Information (continued)

Section B. Facility Policies and Practices.

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

Cadillac Family Practice and Behavioral Health Center

Name of Hospital Facility:

Line Number of Hospital Facility (from Schedule H, Part V, Section A):2

	Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2011)		
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8 If "Yes," indicate what the Needs Assessment describes (check all that apply) a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility b <input checked="" type="checkbox"/> Demographics of the community c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community d <input checked="" type="checkbox"/> How data was obtained e <input checked="" type="checkbox"/> The health needs of the community f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet those needs h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs j <input type="checkbox"/> Other (describe in Part VI)	1 Yes	
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 11		
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3 Yes	
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4	No
5 Did the hospital facility make its Needs Assessment widely available to the public? If "Yes," indicate how the Needs Assessment was made widely available (check all that apply) a <input checked="" type="checkbox"/> Hospital facility's website b <input checked="" type="checkbox"/> Available upon request from the hospital facility c <input checked="" type="checkbox"/> Other (describe in Part VI)	5 Yes	
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply) a <input checked="" type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community b <input checked="" type="checkbox"/> Execution of the implementation strategy c <input checked="" type="checkbox"/> Development of a community-wide community benefit plan for the facility d <input checked="" type="checkbox"/> Participation in community-wide community benefit plan e <input checked="" type="checkbox"/> Inclusion of a community benefit section in operational plans f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA g <input checked="" type="checkbox"/> Prioritization of health needs in the community h <input checked="" type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7	No
Financial Assistance Policy		
Did the hospital facility have in place during the tax year a written financial assistance policy that		
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8 Yes	
9 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 150% If "No," explain in Part VI the criteria the hospital facility used	9 Yes	

Part V

Facility Information (continued)

		Yes	No	
10	Used FPG to determine eligibility for providing discounted care? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>250</u> % If "No," explain in Part VI the criteria the hospital facility used	10	Yes	
11	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply) a <input checked="" type="checkbox"/> Income level b <input checked="" type="checkbox"/> Asset level c <input checked="" type="checkbox"/> Medical indigency d <input checked="" type="checkbox"/> Insurance status e <input checked="" type="checkbox"/> Uninsured discount f <input checked="" type="checkbox"/> Medicaid/Medicare g <input checked="" type="checkbox"/> State regulation h <input type="checkbox"/> Other (describe in Part VI)	11	Yes	
12	Explained the method for applying for financial assistance?	12	Yes	
13	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) a <input checked="" type="checkbox"/> The policy was posted at all times on the hospital facility's web site b <input type="checkbox"/> The policy was attached to all 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 upon admission to the hospital facility f <input checked="" type="checkbox"/> The policy was available upon request g <input type="checkbox"/> Other (describe in Part VI)	13	Yes	

Billing and Collections

14	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?	14	Yes	
15	Check all of the following collection 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 checked="" type="checkbox"/> Reporting to credit agency b <input type="checkbox"/> Lawsuits c <input checked="" type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments or arrests e <input type="checkbox"/> Other similar actions (describe in Part VI)			
16	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 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)	16		No
17	Indicate which efforts the hospital facility made before initiating any of the actions checked in question 16 (check all that apply) a <input type="checkbox"/> Notified patients of the financial assistance policy upon admission b <input type="checkbox"/> Notified patients of the financial assistance policy prior to discharge c <input checked="" type="checkbox"/> Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills d <input checked="" type="checkbox"/> Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy e <input type="checkbox"/> Other (describe in Part VI)			

Part V

Facility Information (continued)

Policy Relating to Emergency Medical Care

		Yes	No
18	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? If "No," indicate why	Yes	
a	<input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions		
b	<input type="checkbox"/> The hospital facility's policy was not in writing		
c	<input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)		
d	<input type="checkbox"/> Other (describe in Part VI)		

Individuals Eligible for Financial Assistance

19	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	<input type="checkbox"/> The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged		
b	<input type="checkbox"/> The hospital facility used the average of it's three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged		
c	<input checked="" type="checkbox"/> The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged		
d	<input checked="" type="checkbox"/> Other (describe in Part VI)		
20	Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Part VI		No
21	Did the hospital facility charge any of its FAP-eligible patients an amount equal to the gross charge for services provided to that patient? If "Yes," explain in Part VI		No

Part V Facility Information (continued)

Section B. Facility Policies and Practices.

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

Cooper Gilmore Health Center

Name of Hospital Facility:_____

Line Number of Hospital Facility (from Schedule H, Part V, Section A):_____3_____

	Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2011)		
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8 If "Yes," indicate what the Needs Assessment describes (check all that apply) a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility b <input checked="" type="checkbox"/> Demographics of the community c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community d <input checked="" type="checkbox"/> How data was obtained e <input checked="" type="checkbox"/> The health needs of the community f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet those needs h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs j <input type="checkbox"/> Other (describe in Part VI)	1 Yes	
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 <u>11</u>		
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3 Yes	
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4	No
5 Did the hospital facility make its Needs Assessment widely available to the public? If "Yes," indicate how the Needs Assessment was made widely available (check all that apply) a <input checked="" type="checkbox"/> Hospital facility's website b <input checked="" type="checkbox"/> Available upon request from the hospital facility c <input checked="" type="checkbox"/> Other (describe in Part VI)	5 Yes	
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply) a <input checked="" type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community b <input checked="" type="checkbox"/> Execution of the implementation strategy c <input checked="" type="checkbox"/> Development of a community-wide community benefit plan for the facility d <input checked="" type="checkbox"/> Participation in community-wide community benefit plan e <input checked="" type="checkbox"/> Inclusion of a community benefit section in operational plans f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA g <input checked="" type="checkbox"/> Prioritization of health needs in the community h <input checked="" type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7	No
Financial Assistance Policy		
Did the hospital facility have in place during the tax year a written financial assistance policy that		
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8 Yes	
9 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>150</u> % If "No," explain in Part VI the criteria the hospital facility used	9 Yes	

Part V

Facility Information (continued)

		Yes	No	
10	Used FPG to determine eligibility for providing discounted care? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>250</u> % If "No," explain in Part VI the criteria the hospital facility used	10	Yes	
11	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply) a <input checked="" type="checkbox"/> Income level b <input checked="" type="checkbox"/> Asset level c <input checked="" type="checkbox"/> Medical indigency d <input checked="" type="checkbox"/> Insurance status e <input checked="" type="checkbox"/> Uninsured discount f <input checked="" type="checkbox"/> Medicaid/Medicare g <input checked="" type="checkbox"/> State regulation h <input type="checkbox"/> Other (describe in Part VI)	11	Yes	
12	Explained the method for applying for financial assistance?	12	Yes	
13	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) a <input checked="" type="checkbox"/> The policy was posted at all times on the hospital facility's web site b <input type="checkbox"/> The policy was attached to all 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 upon admission to the hospital facility f <input checked="" type="checkbox"/> The policy was available upon request g <input type="checkbox"/> Other (describe in Part VI)	13	Yes	

Billing and Collections

14	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?	14	Yes	
15	Check all of the following collection 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 checked="" type="checkbox"/> Reporting to credit agency b <input type="checkbox"/> Lawsuits c <input checked="" type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments or arrests e <input type="checkbox"/> Other similar actions (describe in Part VI)			
16	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 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)	16		No
17	Indicate which efforts the hospital facility made before initiating any of the actions checked in question 16 (check all that apply) a <input type="checkbox"/> Notified patients of the financial assistance policy upon admission b <input type="checkbox"/> Notified patients of the financial assistance policy prior to discharge c <input checked="" type="checkbox"/> Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills d <input checked="" type="checkbox"/> Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy e <input type="checkbox"/> Other (describe in Part VI)			

Part V

Facility Information (continued)

Policy Relating to Emergency Medical Care

		Yes	No
18	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? If "No," indicate why	Yes	
a	<input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions		
b	<input type="checkbox"/> The hospital facility's policy was not in writing		
c	<input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)		
d	<input type="checkbox"/> Other (describe in Part VI)		

Individuals Eligible for Financial Assistance

19	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	<input type="checkbox"/> The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged		
b	<input type="checkbox"/> The hospital facility used the average of it's three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged		
c	<input checked="" type="checkbox"/> The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged		
d	<input checked="" type="checkbox"/> Other (describe in Part VI)		
20	Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Part VI		No
21	Did the hospital facility charge any of its FAP-eligible patients an amount equal to the gross charge for services provided to that patient? If "Yes," explain in Part VI		No

Part V Facility Information (continued)

Section B. Facility Policies and Practices.

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

Trenton Health Center

Name of Hospital Facility:_____

Line Number of Hospital Facility (from Schedule H, Part V, Section A):_____4_____

	Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2011)		
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8 If "Yes," indicate what the Needs Assessment describes (check all that apply) a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility b <input checked="" type="checkbox"/> Demographics of the community c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community d <input checked="" type="checkbox"/> How data was obtained e <input checked="" type="checkbox"/> The health needs of the community f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet those needs h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs j <input type="checkbox"/> Other (describe in Part VI)	1 Yes	
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 <u>11</u>		
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3 Yes	
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4	No
5 Did the hospital facility make its Needs Assessment widely available to the public? If "Yes," indicate how the Needs Assessment was made widely available (check all that apply) a <input checked="" type="checkbox"/> Hospital facility's website b <input checked="" type="checkbox"/> Available upon request from the hospital facility c <input checked="" type="checkbox"/> Other (describe in Part VI)	5 Yes	
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply) a <input checked="" type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community b <input checked="" type="checkbox"/> Execution of the implementation strategy c <input checked="" type="checkbox"/> Development of a community-wide community benefit plan for the facility d <input checked="" type="checkbox"/> Participation in community-wide community benefit plan e <input checked="" type="checkbox"/> Inclusion of a community benefit section in operational plans f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA g <input checked="" type="checkbox"/> Prioritization of health needs in the community h <input checked="" type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7	No
Financial Assistance Policy		
Did the hospital facility have in place during the tax year a written financial assistance policy that		
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8 Yes	
9 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>150</u> % If "No," explain in Part VI the criteria the hospital facility used	9 Yes	

Part V

Facility Information (continued)

		Yes	No	
10	Used FPG to determine eligibility for providing discounted care? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>250</u> % If "No," explain in Part VI the criteria the hospital facility used	10	Yes	
11	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply) a <input checked="" type="checkbox"/> Income level b <input checked="" type="checkbox"/> Asset level c <input checked="" type="checkbox"/> Medical indigency d <input checked="" type="checkbox"/> Insurance status e <input checked="" type="checkbox"/> Uninsured discount f <input checked="" type="checkbox"/> Medicaid/Medicare g <input checked="" type="checkbox"/> State regulation h <input type="checkbox"/> Other (describe in Part VI)	11	Yes	
12	Explained the method for applying for financial assistance?	12	Yes	
13	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) a <input checked="" type="checkbox"/> The policy was posted at all times on the hospital facility's web site b <input type="checkbox"/> The policy was attached to all 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 upon admission to the hospital facility f <input checked="" type="checkbox"/> The policy was available upon request g <input type="checkbox"/> Other (describe in Part VI)	13	Yes	

Billing and Collections

14	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?	14	Yes	
15	Check all of the following collection 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 checked="" type="checkbox"/> Reporting to credit agency b <input type="checkbox"/> Lawsuits c <input checked="" type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments or arrests e <input type="checkbox"/> Other similar actions (describe in Part VI)			
16	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 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)	16		No
17	Indicate which efforts the hospital facility made before initiating any of the actions checked in question 16 (check all that apply) a <input type="checkbox"/> Notified patients of the financial assistance policy upon admission b <input type="checkbox"/> Notified patients of the financial assistance policy prior to discharge c <input checked="" type="checkbox"/> Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills d <input checked="" type="checkbox"/> Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy e <input type="checkbox"/> Other (describe in Part VI)			

Part V

Facility Information (continued)

Policy Relating to Emergency Medical Care

		Yes	No
18	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? If "No," indicate why	Yes	
a	<input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions		
b	<input type="checkbox"/> The hospital facility's policy was not in writing		
c	<input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)		
d	<input type="checkbox"/> Other (describe in Part VI)		

Individuals Eligible for Financial Assistance

19	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	<input type="checkbox"/> The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged		
b	<input type="checkbox"/> The hospital facility used the average of it's three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged		
c	<input checked="" type="checkbox"/> The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged		
d	<input checked="" type="checkbox"/> Other (describe in Part VI)		
20	Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Part VI		No
21	Did the hospital facility charge any of its FAP-eligible patients an amount equal to the gross charge for services provided to that patient? If "Yes," explain in Part VI		No

Part V Facility Information (continued)

Section B. Facility Policies and Practices.

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

Community Health Center

Name of Hospital Facility: _____

Line Number of Hospital Facility (from Schedule H, Part V, Section A): _____5_____

	Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2011)		
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8 If "Yes," indicate what the Needs Assessment describes (check all that apply) a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility b <input checked="" type="checkbox"/> Demographics of the community c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community d <input checked="" type="checkbox"/> How data was obtained e <input checked="" type="checkbox"/> The health needs of the community f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet those needs h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs j <input type="checkbox"/> Other (describe in Part VI)	1 Yes	
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 <u>11</u>		
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3 Yes	
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4	No
5 Did the hospital facility make its Needs Assessment widely available to the public? If "Yes," indicate how the Needs Assessment was made widely available (check all that apply) a <input checked="" type="checkbox"/> Hospital facility's website b <input checked="" type="checkbox"/> Available upon request from the hospital facility c <input checked="" type="checkbox"/> Other (describe in Part VI)	5 Yes	
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply) a <input checked="" type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community b <input checked="" type="checkbox"/> Execution of the implementation strategy c <input checked="" type="checkbox"/> Development of a community-wide community benefit plan for the facility d <input checked="" type="checkbox"/> Participation in community-wide community benefit plan e <input checked="" type="checkbox"/> Inclusion of a community benefit section in operational plans f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA g <input checked="" type="checkbox"/> Prioritization of health needs in the community h <input checked="" type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7	No
Financial Assistance Policy		
Did the hospital facility have in place during the tax year a written financial assistance policy that		
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8 Yes	
9 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>150</u> % If "No," explain in Part VI the criteria the hospital facility used	9 Yes	

Part V

Facility Information (continued)

		Yes	No	
10	Used FPG to determine eligibility for providing discounted care? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>250</u> % If "No," explain in Part VI the criteria the hospital facility used	10	Yes	
11	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply) a <input checked="" type="checkbox"/> Income level b <input checked="" type="checkbox"/> Asset level c <input checked="" type="checkbox"/> Medical indigency d <input checked="" type="checkbox"/> Insurance status e <input checked="" type="checkbox"/> Uninsured discount f <input checked="" type="checkbox"/> Medicaid/Medicare g <input checked="" type="checkbox"/> State regulation h <input type="checkbox"/> Other (describe in Part VI)	11	Yes	
12	Explained the method for applying for financial assistance?	12	Yes	
13	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) a <input checked="" type="checkbox"/> The policy was posted at all times on the hospital facility's web site b <input type="checkbox"/> The policy was attached to all 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 upon admission to the hospital facility f <input checked="" type="checkbox"/> The policy was available upon request g <input type="checkbox"/> Other (describe in Part VI)	13	Yes	

Billing and Collections

14	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?	14	Yes	
15	Check all of the following collection 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 checked="" type="checkbox"/> Reporting to credit agency b <input type="checkbox"/> Lawsuits c <input checked="" type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments or arrests e <input type="checkbox"/> Other similar actions (describe in Part VI)			
16	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 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)	16		No
17	Indicate which efforts the hospital facility made before initiating any of the actions checked in question 16 (check all that apply) a <input type="checkbox"/> Notified patients of the financial assistance policy upon admission b <input type="checkbox"/> Notified patients of the financial assistance policy prior to discharge c <input checked="" type="checkbox"/> Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills d <input checked="" type="checkbox"/> Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy e <input type="checkbox"/> Other (describe in Part VI)			

Part V

Facility Information (continued)

Policy Relating to Emergency Medical Care

		Yes	No
18	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? If "No," indicate why	Yes	
a	<input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions		
b	<input type="checkbox"/> The hospital facility's policy was not in writing		
c	<input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)		
d	<input type="checkbox"/> Other (describe in Part VI)		

Individuals Eligible for Financial Assistance

19	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	<input type="checkbox"/> The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged		
b	<input type="checkbox"/> The hospital facility used the average of it's three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged		
c	<input checked="" type="checkbox"/> The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged		
d	<input checked="" type="checkbox"/> Other (describe in Part VI)		
20	Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Part VI	20	No
21	Did the hospital facility charge any of its FAP-eligible patients an amount equal to the gross charge for services provided to that patient? If "Yes," explain in Part VI	21	No

Part V Facility Information (continued)

Section B. Facility Policies and Practices.

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

Family Health Center

Name of Hospital Facility:

Line Number of Hospital Facility (from Schedule H, Part V, Section A):6

	Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2011)		
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8 If "Yes," indicate what the Needs Assessment describes (check all that apply) a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility b <input checked="" type="checkbox"/> Demographics of the community c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community d <input checked="" type="checkbox"/> How data was obtained e <input checked="" type="checkbox"/> The health needs of the community f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet those needs h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs j <input type="checkbox"/> Other (describe in Part VI)	1Yes	
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 2011		
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? 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	3Yes	
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4	No
5 Did the hospital facility make its Needs Assessment widely available to the public? If "Yes," indicate how the Needs Assessment was made widely available (check all that apply) a <input checked="" type="checkbox"/> Hospital facility's website b <input checked="" type="checkbox"/> Available upon request from the hospital facility c <input checked="" type="checkbox"/> Other (describe in Part VI)	5Yes	
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply) a <input checked="" type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community b <input checked="" type="checkbox"/> Execution of the implementation strategy c <input checked="" type="checkbox"/> Development of a community-wide community benefit plan for the facility d <input checked="" type="checkbox"/> Participation in community-wide community benefit plan e <input checked="" type="checkbox"/> Inclusion of a community benefit section in operational plans f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA g <input checked="" type="checkbox"/> Prioritization of health needs in the community h <input checked="" type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7	No
Financial Assistance Policy		
Did the hospital facility have in place during the tax year a written financial assistance policy that		
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8Yes	
9 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 150% If "No," explain in Part VI the criteria the hospital facility used	9Yes	

Part V

Facility Information (continued)

		Yes	No	
10	Used FPG to determine eligibility for providing discounted care? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>250</u> % If "No," explain in Part VI the criteria the hospital facility used	10	Yes	
11	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply) a <input checked="" type="checkbox"/> Income level b <input checked="" type="checkbox"/> Asset level c <input checked="" type="checkbox"/> Medical indigency d <input checked="" type="checkbox"/> Insurance status e <input checked="" type="checkbox"/> Uninsured discount f <input checked="" type="checkbox"/> Medicaid/Medicare g <input checked="" type="checkbox"/> State regulation h <input type="checkbox"/> Other (describe in Part VI)	11	Yes	
12	Explained the method for applying for financial assistance?	12	Yes	
13	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) a <input checked="" type="checkbox"/> The policy was posted at all times on the hospital facility's web site b <input type="checkbox"/> The policy was attached to all 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 upon admission to the hospital facility f <input checked="" type="checkbox"/> The policy was available upon request g <input type="checkbox"/> Other (describe in Part VI)	13	Yes	

Billing and Collections

14	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?	14	Yes	
15	Check all of the following collection 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 checked="" type="checkbox"/> Reporting to credit agency b <input type="checkbox"/> Lawsuits c <input checked="" type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments or arrests e <input type="checkbox"/> Other similar actions (describe in Part VI)			
16	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 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)	16		No
17	Indicate which efforts the hospital facility made before initiating any of the actions checked in question 16 (check all that apply) a <input type="checkbox"/> Notified patients of the financial assistance policy upon admission b <input type="checkbox"/> Notified patients of the financial assistance policy prior to discharge c <input checked="" type="checkbox"/> Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills d <input checked="" type="checkbox"/> Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy e <input type="checkbox"/> Other (describe in Part VI)			

Part V

Facility Information (continued)

Policy Relating to Emergency Medical Care

		Yes	No
18	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? If "No," indicate why	Yes	
a	<input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions		
b	<input type="checkbox"/> The hospital facility's policy was not in writing		
c	<input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)		
d	<input type="checkbox"/> Other (describe in Part VI)		

Individuals Eligible for Financial Assistance

19	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	<input type="checkbox"/> The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged		
b	<input type="checkbox"/> The hospital facility used the average of it's three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged		
c	<input checked="" type="checkbox"/> The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged		
d	<input checked="" type="checkbox"/> Other (describe in Part VI)		
20	Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Part VI	20	No
21	Did the hospital facility charge any of its FAP-eligible patients an amount equal to the gross charge for services provided to that patient? If "Yes," explain in Part VI	21	No

Part V Facility Information (continued)

Section B. Facility Policies and Practices.

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

Women's Health Center

Name of Hospital Facility: _____

Line Number of Hospital Facility (from Schedule H, Part V, Section A): _____7_____

	Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2011)		
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8 If "Yes," indicate what the Needs Assessment describes (check all that apply) a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility b <input checked="" type="checkbox"/> Demographics of the community c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community d <input checked="" type="checkbox"/> How data was obtained e <input checked="" type="checkbox"/> The health needs of the community f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet those needs h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs j <input type="checkbox"/> Other (describe in Part VI)	1 Yes	
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 <u>11</u>		
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3 Yes	
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4	No
5 Did the hospital facility make its Needs Assessment widely available to the public? If "Yes," indicate how the Needs Assessment was made widely available (check all that apply) a <input checked="" type="checkbox"/> Hospital facility's website b <input checked="" type="checkbox"/> Available upon request from the hospital facility c <input checked="" type="checkbox"/> Other (describe in Part VI)	5 Yes	
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply) a <input checked="" type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community b <input checked="" type="checkbox"/> Execution of the implementation strategy c <input checked="" type="checkbox"/> Development of a community-wide community benefit plan for the facility d <input checked="" type="checkbox"/> Participation in community-wide community benefit plan e <input checked="" type="checkbox"/> Inclusion of a community benefit section in operational plans f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA g <input checked="" type="checkbox"/> Prioritization of health needs in the community h <input checked="" type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7	No
Financial Assistance Policy		
Did the hospital facility have in place during the tax year a written financial assistance policy that		
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8 Yes	
9 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>150</u> % If "No," explain in Part VI the criteria the hospital facility used	9 Yes	

Part V

Facility Information (continued)

		Yes	No	
10	Used FPG to determine eligibility for providing discounted care? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>250</u> % If "No," explain in Part VI the criteria the hospital facility used	10	Yes	
11	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply) a <input checked="" type="checkbox"/> Income level b <input checked="" type="checkbox"/> Asset level c <input checked="" type="checkbox"/> Medical indigency d <input checked="" type="checkbox"/> Insurance status e <input checked="" type="checkbox"/> Uninsured discount f <input checked="" type="checkbox"/> Medicaid/Medicare g <input checked="" type="checkbox"/> State regulation h <input type="checkbox"/> Other (describe in Part VI)	11	Yes	
12	Explained the method for applying for financial assistance?	12	Yes	
13	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) a <input checked="" type="checkbox"/> The policy was posted at all times on the hospital facility's web site b <input type="checkbox"/> The policy was attached to all 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 upon admission to the hospital facility f <input checked="" type="checkbox"/> The policy was available upon request g <input type="checkbox"/> Other (describe in Part VI)	13	Yes	

Billing and Collections

14	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?	14	Yes	
15	Check all of the following collection 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 checked="" type="checkbox"/> Reporting to credit agency b <input type="checkbox"/> Lawsuits c <input checked="" type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments or arrests e <input type="checkbox"/> Other similar actions (describe in Part VI)			
16	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 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)	16		No
17	Indicate which efforts the hospital facility made before initiating any of the actions checked in question 16 (check all that apply) a <input type="checkbox"/> Notified patients of the financial assistance policy upon admission b <input type="checkbox"/> Notified patients of the financial assistance policy prior to discharge c <input checked="" type="checkbox"/> Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills d <input checked="" type="checkbox"/> Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy e <input type="checkbox"/> Other (describe in Part VI)			

Part V

Facility Information (continued)

Policy Relating to Emergency Medical Care

		Yes	No
18	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? If "No," indicate why	Yes	
a	<input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions		
b	<input type="checkbox"/> The hospital facility's policy was not in writing		
c	<input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)		
d	<input type="checkbox"/> Other (describe in Part VI)		

Individuals Eligible for Financial Assistance

19	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	<input type="checkbox"/> The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged		
b	<input type="checkbox"/> The hospital facility used the average of it's three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged		
c	<input checked="" type="checkbox"/> The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged		
d	<input checked="" type="checkbox"/> Other (describe in Part VI)		
20	Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Part VI	20	No
21	Did the hospital facility charge any of its FAP-eligible patients an amount equal to the gross charge for services provided to that patient? If "Yes," explain in Part VI	21	No

Part V Facility Information (continued)

Section B. Facility Policies and Practices.

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

Northeast Harbor Clinic

Name of Hospital Facility:_____

Line Number of Hospital Facility (from Schedule H, Part V, Section A):_____8_____

	Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2011)		
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8 If "Yes," indicate what the Needs Assessment describes (check all that apply) a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility b <input checked="" type="checkbox"/> Demographics of the community c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community d <input checked="" type="checkbox"/> How data was obtained e <input checked="" type="checkbox"/> The health needs of the community f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet those needs h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs j <input type="checkbox"/> Other (describe in Part VI)	1 Yes	
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 <u>11</u>		
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3 Yes	
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4	No
5 Did the hospital facility make its Needs Assessment widely available to the public? If "Yes," indicate how the Needs Assessment was made widely available (check all that apply) a <input checked="" type="checkbox"/> Hospital facility's website b <input checked="" type="checkbox"/> Available upon request from the hospital facility c <input checked="" type="checkbox"/> Other (describe in Part VI)	5 Yes	
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply) a <input checked="" type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community b <input checked="" type="checkbox"/> Execution of the implementation strategy c <input checked="" type="checkbox"/> Development of a community-wide community benefit plan for the facility d <input checked="" type="checkbox"/> Participation in community-wide community benefit plan e <input checked="" type="checkbox"/> Inclusion of a community benefit section in operational plans f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA g <input checked="" type="checkbox"/> Prioritization of health needs in the community h <input checked="" type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7	No
Financial Assistance Policy		
Did the hospital facility have in place during the tax year a written financial assistance policy that		
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8 Yes	
9 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>150</u> % If "No," explain in Part VI the criteria the hospital facility used	9 Yes	

Part V

Facility Information (continued)

		Yes	No	
10	Used FPG to determine eligibility for providing discounted care? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>250</u> % If "No," explain in Part VI the criteria the hospital facility used	10	Yes	
11	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply) a <input checked="" type="checkbox"/> Income level b <input checked="" type="checkbox"/> Asset level c <input checked="" type="checkbox"/> Medical indigency d <input checked="" type="checkbox"/> Insurance status e <input checked="" type="checkbox"/> Uninsured discount f <input checked="" type="checkbox"/> Medicaid/Medicare g <input checked="" type="checkbox"/> State regulation h <input type="checkbox"/> Other (describe in Part VI)	11	Yes	
12	Explained the method for applying for financial assistance?	12	Yes	
13	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) a <input checked="" type="checkbox"/> The policy was posted at all times on the hospital facility's web site b <input type="checkbox"/> The policy was attached to all 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 upon admission to the hospital facility f <input checked="" type="checkbox"/> The policy was available upon request g <input type="checkbox"/> Other (describe in Part VI)	13	Yes	

Billing and Collections

14	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?	14	Yes	
15	Check all of the following collection 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 checked="" type="checkbox"/> Reporting to credit agency b <input type="checkbox"/> Lawsuits c <input checked="" type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments or arrests e <input type="checkbox"/> Other similar actions (describe in Part VI)			
16	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 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)	16		No
17	Indicate which efforts the hospital facility made before initiating any of the actions checked in question 16 (check all that apply) a <input type="checkbox"/> Notified patients of the financial assistance policy upon admission b <input type="checkbox"/> Notified patients of the financial assistance policy prior to discharge c <input checked="" type="checkbox"/> Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills d <input checked="" type="checkbox"/> Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy e <input type="checkbox"/> Other (describe in Part VI)			

Part V

Facility Information (continued)

Policy Relating to Emergency Medical Care

		Yes	No
18	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? If "No," indicate why	Yes	
a	<input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions		
b	<input type="checkbox"/> The hospital facility's policy was not in writing		
c	<input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)		
d	<input type="checkbox"/> Other (describe in Part VI)		

Individuals Eligible for Financial Assistance

19	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	<input type="checkbox"/> The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged		
b	<input type="checkbox"/> The hospital facility used the average of it's three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged		
c	<input checked="" type="checkbox"/> The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged		
d	<input checked="" type="checkbox"/> Other (describe in Part VI)		
20	Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Part VI	20	No
21	Did the hospital facility charge any of its FAP-eligible patients an amount equal to the gross charge for services provided to that patient? If "Yes," explain in Part VI	21	No

Part V Facility Information (continued)

Section B. Facility Policies and Practices.

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

MDI Orthopedic clinic

Name of Hospital Facility:

Line Number of Hospital Facility (from Schedule H, Part V, Section A):9

	Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2011)		
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8 If "Yes," indicate what the Needs Assessment describes (check all that apply) a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility b <input checked="" type="checkbox"/> Demographics of the community c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community d <input checked="" type="checkbox"/> How data was obtained e <input checked="" type="checkbox"/> The health needs of the community f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet those needs h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs j <input type="checkbox"/> Other (describe in Part VI)	1 Yes	
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 11		
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3 Yes	
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4	No
5 Did the hospital facility make its Needs Assessment widely available to the public? If "Yes," indicate how the Needs Assessment was made widely available (check all that apply) a <input checked="" type="checkbox"/> Hospital facility's website b <input checked="" type="checkbox"/> Available upon request from the hospital facility c <input checked="" type="checkbox"/> Other (describe in Part VI)	5 Yes	
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply) a <input checked="" type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community b <input checked="" type="checkbox"/> Execution of the implementation strategy c <input checked="" type="checkbox"/> Development of a community-wide community benefit plan for the facility d <input checked="" type="checkbox"/> Participation in community-wide community benefit plan e <input checked="" type="checkbox"/> Inclusion of a community benefit section in operational plans f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA g <input checked="" type="checkbox"/> Prioritization of health needs in the community h <input checked="" type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7	No
Financial Assistance Policy		
Did the hospital facility have in place during the tax year a written financial assistance policy that		
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8 Yes	
9 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 150% If "No," explain in Part VI the criteria the hospital facility used	9 Yes	

Part V

Facility Information (continued)

		Yes	No	
10	Used FPG to determine eligibility for providing discounted care? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>250</u> % If "No," explain in Part VI the criteria the hospital facility used	10	Yes	
11	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply) a <input checked="" type="checkbox"/> Income level b <input checked="" type="checkbox"/> Asset level c <input checked="" type="checkbox"/> Medical indigency d <input checked="" type="checkbox"/> Insurance status e <input checked="" type="checkbox"/> Uninsured discount f <input checked="" type="checkbox"/> Medicaid/Medicare g <input checked="" type="checkbox"/> State regulation h <input type="checkbox"/> Other (describe in Part VI)	11	Yes	
12	Explained the method for applying for financial assistance?	12	Yes	
13	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) a <input checked="" type="checkbox"/> The policy was posted at all times on the hospital facility's web site b <input type="checkbox"/> The policy was attached to all 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 upon admission to the hospital facility f <input checked="" type="checkbox"/> The policy was available upon request g <input type="checkbox"/> Other (describe in Part VI)	13	Yes	

Billing and Collections

14	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?	14	Yes	
15	Check all of the following collection 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 checked="" type="checkbox"/> Reporting to credit agency b <input type="checkbox"/> Lawsuits c <input checked="" type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments or arrests e <input type="checkbox"/> Other similar actions (describe in Part VI)			
16	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 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)	16		No
17	Indicate which efforts the hospital facility made before initiating any of the actions checked in question 16 (check all that apply) a <input type="checkbox"/> Notified patients of the financial assistance policy upon admission b <input type="checkbox"/> Notified patients of the financial assistance policy prior to discharge c <input checked="" type="checkbox"/> Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills d <input checked="" type="checkbox"/> Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy e <input type="checkbox"/> Other (describe in Part VI)			

Part V

Facility Information (continued)

Policy Relating to Emergency Medical Care

		Yes	No
18	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? If "No," indicate why	Yes	
a	<input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions		
b	<input type="checkbox"/> The hospital facility's policy was not in writing		
c	<input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)		
d	<input type="checkbox"/> Other (describe in Part VI)		

Individuals Eligible for Financial Assistance

19	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	<input type="checkbox"/> The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged		
b	<input type="checkbox"/> The hospital facility used the average of it's three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged		
c	<input checked="" type="checkbox"/> The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged		
d	<input checked="" type="checkbox"/> Other (describe in Part VI)		
20	Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Part VI		No
21	Did the hospital facility charge any of its FAP-eligible patients an amount equal to the gross charge for services provided to that patient? If "Yes," explain in Part VI		No

Part V Facility Information (continued)

Section B. Facility Policies and Practices.

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

MDI Dermatology Clinic

Name of Hospital Facility:

Line Number of Hospital Facility (from Schedule H, Part V, Section A):10

	Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2011)		
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8 If "Yes," indicate what the Needs Assessment describes (check all that apply) a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility b <input checked="" type="checkbox"/> Demographics of the community c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community d <input checked="" type="checkbox"/> How data was obtained e <input checked="" type="checkbox"/> The health needs of the community f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet those needs h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs j <input type="checkbox"/> Other (describe in Part VI)	1 Yes	
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 11		
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3 Yes	
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4	No
5 Did the hospital facility make its Needs Assessment widely available to the public? If "Yes," indicate how the Needs Assessment was made widely available (check all that apply) a <input checked="" type="checkbox"/> Hospital facility's website b <input checked="" type="checkbox"/> Available upon request from the hospital facility c <input checked="" type="checkbox"/> Other (describe in Part VI)	5 Yes	
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply) a <input checked="" type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community b <input checked="" type="checkbox"/> Execution of the implementation strategy c <input checked="" type="checkbox"/> Development of a community-wide community benefit plan for the facility d <input checked="" type="checkbox"/> Participation in community-wide community benefit plan e <input checked="" type="checkbox"/> Inclusion of a community benefit section in operational plans f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA g <input checked="" type="checkbox"/> Prioritization of health needs in the community h <input checked="" type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7	No
Financial Assistance Policy		
Did the hospital facility have in place during the tax year a written financial assistance policy that		
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8 Yes	
9 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 150% If "No," explain in Part VI the criteria the hospital facility used	9 Yes	

Part V

Facility Information (continued)

		Yes	No	
10	Used FPG to determine eligibility for providing discounted care? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>250</u> % If "No," explain in Part VI the criteria the hospital facility used	10	Yes	
11	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply) a <input checked="" type="checkbox"/> Income level b <input checked="" type="checkbox"/> Asset level c <input checked="" type="checkbox"/> Medical indigency d <input checked="" type="checkbox"/> Insurance status e <input checked="" type="checkbox"/> Uninsured discount f <input checked="" type="checkbox"/> Medicaid/Medicare g <input checked="" type="checkbox"/> State regulation h <input type="checkbox"/> Other (describe in Part VI)	11	Yes	
12	Explained the method for applying for financial assistance?	12	Yes	
13	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) a <input checked="" type="checkbox"/> The policy was posted at all times on the hospital facility's web site b <input type="checkbox"/> The policy was attached to all 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 upon admission to the hospital facility f <input checked="" type="checkbox"/> The policy was available upon request g <input type="checkbox"/> Other (describe in Part VI)	13	Yes	

Billing and Collections

14	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?	14	Yes	
15	Check all of the following collection 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 checked="" type="checkbox"/> Reporting to credit agency b <input type="checkbox"/> Lawsuits c <input checked="" type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments or arrests e <input type="checkbox"/> Other similar actions (describe in Part VI)			
16	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 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)	16		No
17	Indicate which efforts the hospital facility made before initiating any of the actions checked in question 16 (check all that apply) a <input type="checkbox"/> Notified patients of the financial assistance policy upon admission b <input type="checkbox"/> Notified patients of the financial assistance policy prior to discharge c <input checked="" type="checkbox"/> Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills d <input checked="" type="checkbox"/> Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy e <input type="checkbox"/> Other (describe in Part VI)			

Part V

Facility Information (continued)

Policy Relating to Emergency Medical Care

		Yes	No
18	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? If "No," indicate why	Yes	
a	<input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions		
b	<input type="checkbox"/> The hospital facility's policy was not in writing		
c	<input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)		
d	<input type="checkbox"/> Other (describe in Part VI)		

Individuals Eligible for Financial Assistance

19	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	<input type="checkbox"/> The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged		
b	<input type="checkbox"/> The hospital facility used the average of it's three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged		
c	<input checked="" type="checkbox"/> The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged		
d	<input checked="" type="checkbox"/> Other (describe in Part VI)		
20	Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Part VI		No
21	Did the hospital facility charge any of its FAP-eligible patients an amount equal to the gross charge for services provided to that patient? If "Yes," explain in Part VI		No

Part V Facility Information (continued)

Section B. Facility Policies and Practices.

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

MDI Urology Clinic

Name of Hospital Facility:

Line Number of Hospital Facility (from Schedule H, Part V, Section A):11

	Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2011)		
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8 If "Yes," indicate what the Needs Assessment describes (check all that apply) a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility b <input checked="" type="checkbox"/> Demographics of the community c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community d <input checked="" type="checkbox"/> How data was obtained e <input checked="" type="checkbox"/> The health needs of the community f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet those needs h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs j <input type="checkbox"/> Other (describe in Part VI)	1Yes	
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 11		
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? 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	3Yes	
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4	No
5 Did the hospital facility make its Needs Assessment widely available to the public? If "Yes," indicate how the Needs Assessment was made widely available (check all that apply) a <input checked="" type="checkbox"/> Hospital facility's website b <input checked="" type="checkbox"/> Available upon request from the hospital facility c <input checked="" type="checkbox"/> Other (describe in Part VI)	5Yes	
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply) a <input checked="" type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community b <input checked="" type="checkbox"/> Execution of the implementation strategy c <input checked="" type="checkbox"/> Development of a community-wide community benefit plan for the facility d <input checked="" type="checkbox"/> Participation in community-wide community benefit plan e <input checked="" type="checkbox"/> Inclusion of a community benefit section in operational plans f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA g <input checked="" type="checkbox"/> Prioritization of health needs in the community h <input checked="" type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7	No
Financial Assistance Policy		
Did the hospital facility have in place during the tax year a written financial assistance policy that		
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8Yes	
9 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 150% If "No," explain in Part VI the criteria the hospital facility used	9Yes	

Part V

Facility Information (continued)

		Yes	No	
10	Used FPG to determine eligibility for providing discounted care? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>250</u> % If "No," explain in Part VI the criteria the hospital facility used	10	Yes	
11	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply) a <input checked="" type="checkbox"/> Income level b <input checked="" type="checkbox"/> Asset level c <input checked="" type="checkbox"/> Medical indigency d <input checked="" type="checkbox"/> Insurance status e <input checked="" type="checkbox"/> Uninsured discount f <input checked="" type="checkbox"/> Medicaid/Medicare g <input checked="" type="checkbox"/> State regulation h <input type="checkbox"/> Other (describe in Part VI)	11	Yes	
12	Explained the method for applying for financial assistance?	12	Yes	
13	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) a <input checked="" type="checkbox"/> The policy was posted at all times on the hospital facility's web site b <input type="checkbox"/> The policy was attached to all 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 upon admission to the hospital facility f <input checked="" type="checkbox"/> The policy was available upon request g <input type="checkbox"/> Other (describe in Part VI)	13	Yes	

Billing and Collections

14	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?	14	Yes	
15	Check all of the following collection 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 checked="" type="checkbox"/> Reporting to credit agency b <input type="checkbox"/> Lawsuits c <input checked="" type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments or arrests e <input type="checkbox"/> Other similar actions (describe in Part VI)			
16	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 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)	16		No
17	Indicate which efforts the hospital facility made before initiating any of the actions checked in question 16 (check all that apply) a <input type="checkbox"/> Notified patients of the financial assistance policy upon admission b <input type="checkbox"/> Notified patients of the financial assistance policy prior to discharge c <input checked="" type="checkbox"/> Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills d <input checked="" type="checkbox"/> Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy e <input type="checkbox"/> Other (describe in Part VI)			

Part V

Facility Information (continued)

Policy Relating to Emergency Medical Care

		Yes	No
18	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? If "No," indicate why	Yes	
a	<input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions		
b	<input type="checkbox"/> The hospital facility's policy was not in writing		
c	<input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)		
d	<input type="checkbox"/> Other (describe in Part VI)		

Individuals Eligible for Financial Assistance

19	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	<input type="checkbox"/> The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged		
b	<input type="checkbox"/> The hospital facility used the average of it's three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged		
c	<input checked="" type="checkbox"/> The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged		
d	<input checked="" type="checkbox"/> Other (describe in Part VI)		
20	Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Part VI	20	No
21	Did the hospital facility charge any of its FAP-eligible patients an amount equal to the gross charge for services provided to that patient? If "Yes," explain in Part VI	21	No

Part V

Facility Information (continued)

Section C. Other 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 facilities did the organization operate during the tax year? _____

Name and address		Type of Facility (Describe)
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		

Part VI

Supplemental Information

Complete this part to provide the following information

- 1
- Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21
- 2
- Community health needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any community health needs assessments reported in Part V, Section B
- 3
- Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy
- 4
- Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves
- 5
- Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc)
- 6
- Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served
- 7
- State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

Identifier	ReturnReference	Explanation
SchH_P01_S00_L06a	Schedule H, Part I, Line 6a	The Mount Desert Island Hospital process was a partnership with Healthy Acadia, a comprehensive community health coalition that was formed in 2001 with the public health funding provided by the Maine Center for Disease Control and Prevention

Identifier	ReturnReference	Explanation
SchH_P01_S00_L07	Schedule H, Part I, Line 7	Costing methodology utilized for this table were derived from Worksheet 2, Ratio of patient care cost to charges with data from our fiscal year 2012 filed cost reports

Identifier	ReturnReference	Explanation
SchH_P01_S00_L07g	Schedule H, Part I, Line 7g	IRS 990H Worksheet 6--Subsidized health Services--(The supporting schedule for part I, Line 7g) We did not utilize the Worksheet 2 percentage when determining the profit/loss of each of our provider based clinics In addition, when we were compiling the subsidized provder based clinics listed in 1C above, we utilized the actual estimated costs on the Medicare cost report we prepared instead of applying towrksheet 2 cost to charge percentage

Identifier	ReturnReference	Explanation
SchH_P03_S0A_L04	Schedule H, Part III, Section A, Line 4	Audit Footnote#2 Accounts receivable are stated at the amount management expects to collect from outstanding balances Management provides for probable uncollectible amounts through a charge to operations and a credit to a valuation allowance based on its assessment of individual accounts and historical adjustments Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to patient accounts receivable The bad debt expense has been calculated utilizing data from our fiscal year 2012 filed cost report to produce the cost to charge ratio for Worksheet 2 Ratio of Patient Care Cost to Charges Bad Debt expense per audited financial statements is \$3,091,286 Bad debts are a community benefit as services are provided regardless of the patient's ability to pay

Identifier	ReturnReference	Explanation
SchH_P03_S0B_L08	Schedule H, Part III, Section B, Line 8	The Medicare shortfall would be considered as a community benefit as it is the cost of providing quality acute and primary care services while maintaining careful stewardship of resources with a commitment to service excellence. This was calculated utilizing Medicare net patient revenue with associated Medicare costs per the filed fiscal year 2012 cost report.

Identifier	ReturnReference	Explanation
SchH_P03_S0C_L09b	Schedule H, Part III, Section C, Line 9b	Collection practices follow the free care policy of ensuring those patients who are eligible for federal or state medical assistance programs are covered. If not eligible for these programs, charity care eligibility is determined. The cost share plan guidelines of the free care policy are clearly stated to ensure proper collection policy and practice.

Identifier	ReturnReference	Explanation
SchH_P05_S0B_L05	Schedule H, Part V, Section B, Line 5	The Community Health Needs Assessment is available to our community members through our problic website and the ongoing implementation and work plan is documented by our Planning and Board committees

Identifier	ReturnReference	Explanation
SchH_P05_S0B_L07	Schedule H, Part V, Section B, Line 7	<p>The Mount Desert Island Hospital's Community Health Needs Assessment provides an opportunity to gain insight into the needs and assets that are served, it also provides a measure to identify and address the needs of the vulnerable populations with our community. The Mount Desert Island Hospital process was a partnership with Health Acadia, a comprehensive community health coalition that was formed in 2001 with the public health funding provided by the Maine Center for Disease Control and Prevention. The Community Health Improvement Plan and Health Needs Assessment were performed using the Mobilizing for Action through Planning and Partnerships (MAPP) process utilizing a broad cross section of our demographic and service area. This process delivered the basis for the assessment which demonstrated the strengths and opportunities for our plan. This process involved gather of two types of data, quantitative (demographics, health indicators, local statistics, etc) and qualitative (Public Surveys, Focus Groups and Community Stakeholders). The data helps support short-term and long-term decisions about allocation of community human and capital resources. Participants included members of the Hospital's medical staff, nursing staff, board of trustees' and administration. Focus groups were used to gain feedback from diverse and remote populations, as an institution that serves the rural and coastal community of Mount Desert Island and the other islands off the Coast of Hancock County, this feedback was essential to continue to develop strategies to meet the needs of our residents. This collaborative effort developed the eight themes for strategic initiatives and goals:</p> <p>1) How can we ensure that all community members have access to affordable high quality health care?</p> <p>2) How can we ensure that all community members have access to health affordable food?</p> <p>3) How can we increase physical activity and health transportation in our region?</p> <p>4) How can we reduce and prevent substance abuse in our community?</p> <p>5) How can we ensure that the children and youth in our region have the best opportunities to grow and thrive?</p> <p>6) How can we promote healthy aging for all members of our community?</p> <p>7) How do we build an environment that is healthy, free from toxins, and protected for current and future generations?</p> <p>8) How can we increase economic opportunities and decrease economic disparities in our region?</p> <p>Mount Desert Island Hospital has reviewed and identified the key strategies of this plan by developing a dimplementation and mapping of current and future strategies. The plan has been vetted through the Board of Trustees of the Hospital and is resourced to the Plannign Committee of the Board of Trustees for continued review and prioritization. The key elements of the Community Health needs Assessment that were not in full alignment with the Hospital's mission and assets were Strategy 2. Although we promote healthy food options, our organization does not have a mechanism in place to distribute or provide food options to our community outside of our cafeteria.</p>

Identifier	ReturnReference	Explanation
SchH_P06_S00_L02	Schedule H, Part VI, Line 2	Mount Desert Island Hospital assesses the health needs of the community through the use of a collaborative Community Health Needs Assessment. As a key participant in the CHNA process, our institution is able to further address and identify those areas of most concern and need in our community. A community needs assessment is a point in time effort to measure the health and well being of the community. It serves as a constructive tool to and basis for Mount Desert Island Hospital's strategic and subsequent action planning to develop Health Policy Advocacy, allocate resources, improve or expand existing services, implement new programs and collaborate with other community health care providers. A community health needs assessment also serves as a benchmark for future assessment of measured progress toward established community health objectives.

Identifier	ReturnReference	Explanation
SchH_P06_S00_L03	Schedule H, Part VI, Line 3	MDIH is committed to -Providing access to quality healthcare services with compassion, dignity and respect for those we serve, particularly the poor, indigent, and underserved in our communities -Caring for all members of our communities or persons needed care, regardless of their ability to pay for services - Assisting our patients who cannot afford to pay for part or all of the services received by working with our community to address those in need and aid in finding the financial resources available In accordance with the American Hospital Association Recommendations, MDIH has adopted guiding principles when handling the billing, collections and financial support functions for our patients - Provide effective communications with patients regarding hospital bills - Make affirmative efforts to help patients apply for public and private financial support programs -Offer financial support to patients with limited means -Implement policies and procedures for assisting low-income patients in a consistent manner - Implement fair and consistent billing and collection practices for all patients with patient payment obligations Communicate effectively and timely with our patients regarding patient payment obligation Noting that a patient financial representative is available to assist with triaging patient needs and working with our patients to align resources This representative is available to explain and review patient payment obligations as well we have a patient advocate to facilitate issues that arise in the course of this process Information about hospital based financial support polices and external support programs that provide coverage for services are made available to patients during the pre-registration and registration processes and/or through communications with patients seeking financial assistance MDIH offers financial support to patients with limited means This support is available to uninsured and underinsured patients who do not qualify for public programs or other means of assistance Notification about financial assistance programs at MDIH, including contact information, is available through messaging included on patient bills, physician offices, public areas, care management staff, registration areas, billing support staff and reception in the hospital, and clinics Patient brochures describing the financial counseling and assistance services are available in these areas as well as on our public website, mdihospital.org

Identifier	ReturnReference	Explanation
SchH_P06_S00_L04	Schedule H, Part VI, Line 4	MDI Hospital provides services to Mount Desert Island and coastal Maine designated as a Critical Access Hospital, in hancock County, southeastern Maine Mount Desert Island is comprised of 108 square miles and is the 6th largest island in the continental United States and second largest island (Long Island, NY being the largest) on the eastern seaboard The primary geographic area serviced consists of Mount Desert Island along with the outer islands of Swans, Frenchboro, and Cranberry Isles, with a total permanent year-round population of approximately 10,000 Mount Desert Island is a destination for tourists from all over the world Cruise ships are in the harbor from May through October and most often in September The summer residents increase the island population by at least 30,000 Also, many thousands of tourists visit the island annually It is reported that as many as 2.5 million people visit Acadian National Park on Mount Desert Island annually, many of whom will reside on island during their visit This population swelling results in a significant increase in medical services provided by Mount Desert Island Hospital and its health centers located throughout the communtiy, While tourism continues to be one of the largest industries, the Jackson Laboratory, boat building, fishing and aquaculture are also a large part of the conomy on MDI Based on demographic data, approximately 9 percent of the permanent population is below the poverty line The demographics support an aging population as demonstrated by the 44 percent Medicare utilization at MDI Hospital MaineCare, the state government program, accounted for 10 percent of the Hospitals gross patient service revenue for the fiscal year While additional workers are needed to service the significant seasonal influx, the majority is under and or uninsured resulting in increased charity care and bad debts Although the majority of Mount Desert Isalnds permanent popultion is Caucasian the additional tourists seasonal worksers and summer residents are a very diverse population

Identifier	ReturnReference	Explanation
SchH_P06_S00_L05	Schedule H, Part VI, Line 5	<p>The governing Board and committe members of MDI Hospital are all local residents of the community serviced by the Hospital. The Hospital's Board is part of the tapestry of the community. They are people who understand the history and culture of the community all helping the Hospital keep pace accessing the needs of their friends and neighbors. The array of community members helps MDI Hospital's Board balance its need for financial stewardship with its caring mission. As the board is comprised of people who live and work on the Island, it also ensures that MDI Hospital maintains its uniquely personal connection and intimacy to the communities it serves. Medical staff privileges are extended to all qualified physicians in the community. As MDI Hospital is located on an Island, additional specialty services are made available on the island by medical staff from the mainland, thus providing many specialty services which would otherwise be unavilable in the community. Patients would still have access to these specialties, they woudl have to travel off the island to other communities or cities to receive these services. The organization applies surplus funds to patient care improvements through its capital expenditure program, employee and medical staff education, community benefits programs, to remain viable and technologically current. Advocacy initiatives for promoting community wide, state or nataioanl efforts work to improve health of the population and increase access. Community involvement is key as MDI Hospitals ability to provide high quality health care is directly affected by the policies that are adopted in Augusta and Washington. As competing interests are at work in these venues it is necessary for the community toa dvocate for the Hospital to ensure its health which is essential to the quality of life in the community. MDI Hospital is a community hospital designated as a creitcal access hospital which participates in all federal, state and local government programs including Medicare, MaineCare (Medicaid), and Champus. MDI Hospital provides acute and primary care services, including a 24 hour emergency room, serving all patients regardless of their ability o pay. patients are informed of Federal, State and local government benefits as well as the Hospitals financial assistance and sliding scale discounts. Information is also available to patients in various areas of the Hospital as well as written on the back of their bill. While MDI Hospital may not be directly involved in clinical research, the Jackson Laboratory, an independent non-profit organization and leading genetics research laboratory focusing on mammalian genetics research with a strong research program investigating cancer and other gneetic diseases, is a vital member of the Mount Desert Island community as well as its largest employer.</p>

Identifier	ReturnReference	Explanation
SchH_P06_S00_L07	Schedule H, Part VI, Line 7	Maine

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2011

Open to Public Inspection

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

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

▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization MOUNT DESERT ISLAND HOSPITAL	Employer identification number 01-0211797
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Part I

Questions Regarding Compensation

		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items		
	<div><div><input type="checkbox"/> First-class or charter travel</div><div><input type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Tax idemnification and gross-up payments</div><div><input type="checkbox"/> Discretionary spending account</div></div> <div><div><input type="checkbox"/> Housing allowance or residence for personal use</div><div><input type="checkbox"/> Payments for business use of personal residence</div><div><input checked="" type="checkbox"/> Health or social club dues or initiation fees</div><div><input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div>		
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain	1b	Yes
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	2	Yes
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply		
	<div><div><input type="checkbox"/> Compensation committee</div><div><input type="checkbox"/> Independent compensation consultant</div><div><input type="checkbox"/> Form 990 of other organizations</div></div> <div><div><input checked="" type="checkbox"/> Written employment contract</div><div><input checked="" type="checkbox"/> Compensation survey or study</div><div><input checked="" type="checkbox"/> Approval by the board or compensation committee</div></div>		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization		
a	Receive a severance payment or change-of-control payment?	4a	No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	No
c	Participate in, or receive payment from, an equity-based compensation arrangement?	4c	No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III		
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.		
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of		
a	The organization?	5a	No
b	Any related organization?	5b	No
	If "Yes," to line 5a or 5b, describe in Part III		
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of		
a	The organization?	6a	No
b	Any related organization?	6b	No
	If "Yes," to line 6a or 6b, describe in Part III		
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7	Yes
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 Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III	8	No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	9	

Part II **Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use Schedule J-1 if additional space 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, columns (D) and (E) for that individual

(A) Name		(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 in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) Arthur J Blank	(i)	278,657	6,065	0	16,500	26,002	327,224	16,500
	(ii)	0	0	0	0	0	0	0
(2) Mary Dudzik MD	(i)	158,047	24,786	0	5,850	21,089	209,772	0
	(ii)	0	0	0	0	0	0	0
(3) Julian Kuffler MD	(i)	220,958	0	0	0	27,208	248,166	0
	(ii)	0	0	0	0	0	0	0
(4) David Painter	(i)	121,810	22,985	0	16,120	13,480	174,395	0
	(ii)	0	0	0	0	0	0	0
(5) Brian Caine	(i)	172,500	46,484	0	0	5,262	224,246	0
	(ii)	0	0	0	0	0	0	0
(6) Michael Heniser	(i)	288,980	11,857	0	0	19,799	320,636	0
	(ii)	0	0	0	0	0	0	0
(7) Ronald Prokopius	(i)	266,396	32,721	0	0	33,096	332,213	0
	(ii)	0	0	0	0	0	0	0
(8) Stuart Davidson	(i)	427,848	0	0	16,500	24,612	468,960	0
	(ii)	0	0	0	0	0	0	0
(9) Edward White	(i)	330,069	0	0	16,073	25,923	372,065	0
	(ii)	0	0	0	0	0	0	0
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

Part IIISupplemental Information

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

Identifier	Return Reference	Explanation
SchJ_P01_S00_L01a	Schedule J, Part I, Line 1a	The Hospital provides the CEO's fitness membership, which is approximately \$399 per year. MDI Hospital reimburses all other benefited employees up to \$100 per year towards the YMCA or other health club membership with appropriate supporting documentation.
SchJ_P01_S00_L07	Schedule J, Part I, Line 7	The Hospital provides a performance incentive system for Division Directors and Vice Presidents who are employees in good standing during the entire fiscal year. The program is based on the organization maintaining top 12 status in overall patient satisfaction, meeting its financial target, as well as individual financial performance and quality improvement objectives.

Schedule K
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
MOUNT DESERT ISLAND HOSPITAL

Supplemental Information on Tax Exempt Bonds

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

OMB No 1545-0047

2011

Open to Public Inspection

Employer identification number
01-0211797

Part I

Bond Issues

	(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	MHHEFA 92 Bond			07-01-1992	1,300,000	Contruction and renovation of hospital departments		X		X		X
B	MHHEFA 2006F Bond			07-03-2005	707,200	Replacement of central chiller		X		X		X
C	MHHEFA 2007B Bond			07-03-2007	4,427,988	Clinic construction, office and clinic space		X		X		X
D	MHEFFA 2010 Bond			07-01-2010	1,200,000	Refinancing of 98A Bond for renovation of outpatient service area		X		X		X

Part II

Proceeds

		A		B		C		D	
1	Amount of bonds retired	0		0		0		0	
2	Amount of bonds defeased	0		0		0		0	
3	Total proceeds of issue	1,300,000		707,200		4,427,988		1,200,000	
4	Gross proceeds in reserve funds	0		0		0		0	
5	Capitalized interest from proceeds	0		0		0		0	
6	Proceeds in refunding escrow	0		0		0		0	
7	Issuance costs from proceeds	0		0		0		0	
8	Credit enhancement from proceeds	0		0		0		0	
9	Working capital expenditures from proceeds	0		0		0		0	
10	Capital expenditures from proceeds	1,300,000		707,200		4,427,988		0	
11	Other spent proceeds	0		0		0		0	
12	Other unspent proceeds	0		0		0		0	
13	Year of substantial completion	1993		2008		2009		1999	
14	Were the bonds issued as part of a current refunding issue?	Yes	No	Yes	No	Yes	No	Yes	No
			X		X		X	X	
15	Were the bonds issued as part of an advance refunding issue?		X		X		X		X
16	Has the final allocation of proceeds been made?	X		X		X		X	
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		X		X	

Part III

Private Business Use

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

Part III

Private Business Use (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use?		X		X		X		X
b	If 'Yes' to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c	Are there any research agreements that may result in private business use of bond-financed property?		X		X		X		X
d	If 'Yes' to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government <div></div>	0 %		0 %		0 %		0 %	
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government <div></div>	0 %		0 %		0 %		0 %	
6	Total of lines 4 and 5	0 %		0 %		0 %		0 %	
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X		X		X		X	

Part IV

Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X		X		X		X
2	Is the bond issue a variable rate issue?		X		X		X		X
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?		X		X		X		X
b	Name of provider								
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was a hedge terminated?								
4a	Were gross proceeds invested in a GIC?		X		X		X		X
b	Name of provider								
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
5	Were any gross proceeds invested beyond an available temporary period?		X		X		X		X
6	Did the bond issue qualify for an exception to rebate?		X		X		X		X

Part V

Procedures To Undertake Corrective Action

Check the box if the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations ☐ Yes ☒ No

Part VI

Supplemental Information

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

Identifier	Return Reference	Explanation
------------	------------------	-------------

Schedule L
(Form 990 or 990-EZ)

Transactions with Interested Persons

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
MOUNT DESERT ISLAND HOSPITAL

Employer identification number

01-0211797

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) Description of transaction	(c) Corrected?	
			Yes	No

2

Enter the amount of tax imposed on 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, Part IV, line 26, or Form 990-EZ, Part V, line 38a

(a) Name of interested person and purpose	(b) Loan to or from the organization?		(c)Original principal amount	(d)Balance due	(e) In default?		(f) Approved by board or committee?		(g)Written agreement?	
	To	From			Yes	No	Yes	No	Yes	No
Total										

Part III

Grants or Assistance Benefitting 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 grant or type of assistance

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) John Benson MD -- J and D Imaging	Board Member	353,865	Equipment leasing and radiology services		No

Part V

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

Identifier	Return Reference	Explanation
SchL_P04_S00_L00	Schedule L, Part IV	John Benson, MD is the proprietor of J&D Imaging Co J&D Imaging does consulting for MDI Hospital in the form of radiology services performed by Dr John Benson MDI Hospital also leases radiology equipment from J&D Imaging Although Dr Benson is a member of the Board of Directors of MDI Hospital, he abstains from any situation which may be deemed a conflict of interest, and duly reports and completes on required disclosures

SCHEDULE M
(Form 990)

NonCash Contributions

OMB No 1545-0047

2011

Open to Public Inspection

►Complete if the organization answered "Yes" on Form 990, Part IV, lines 29 or 30.
► Attach to Form 990.

Name of the organization
MOUNT DESERT ISLAND HOSPITAL

Employer identification number
01-0211797

Part I

Types of Property

	(a) Check if applicable	(b) Number of Contributions or items contributed	(c) Contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining contribution amounts
1 Art—Works of art				
2 Art—Historical treasures				
3 Art—Fractional interests				
4 Books and publications				
5 Clothing and household goods				
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property				
9 Securities—Publicly traded	X	7	549,196	Fair Market Value
10 Securities—Closely held stock				
11 Securities—Partnership, LLC, or trust interests				
12 Securities—Miscellaneous				
13 Qualified conservation contribution—Historic structures				
14 Qualified conservation contribution—Other				
15 Real estate—Residential				
16 Real estate—Commercial				
17 Real estate—Other				
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ► ()				
26 Other ►()				
27 Other ►()				
28 Other ► ()				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement

29

0

30a	During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?	Yes	No
b	If "Yes," describe the arrangement in Part II		No
31	Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?	Yes	
32a	Does the organization hire or use third parties or related organizations to solicit, process, or sell non-cash contributions?	Yes	
b	If "Yes," describe in Part II		
33	If the organization did not report revenues in column (c) for a type of property for which column (a) is checked, describe in Part II		

Part III

Supplemental Information. Complete this part to provide the information required by Part I, lines 30b, 32b, and 33. Also complete this part for any additional information.

Identifier	Return Reference	Explanation
SchM_P01_S00_L32b	Schedule M, Part I, Line 32b	The hospital policy requires that stock donations are immediately sold by the Advisors Account to which they are received

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 to provide any additional information.**
► **Attach to Form 990 or 990-EZ.**

OMB No 1545-0047

2011**Open to Public
Inspection**Name of the organization
MOUNT DESERT ISLAND HOSPITAL**Employer identification number**

01-0211797

Identifier	Return Reference	Explanation
F990_P06_S0B_L11b	Form 990, Part VI, Section B, Line 11b	The initial review of the Form 990 is performed by the Finance Sub-Committee of the Board of Directors of the hospital. The members are provided with an electronic copy of the Form 990 and all supporting schedules (printed versions are also available upon request). Once reviewed by the Finance Sub-Committee, all Board of Trustees are provided with a copy of the Form 990 and supporting schedules for review. The Form is provided thirty days in advance of filing giving the Board Members opportunity to comment and review, both the CEO, President and CFO, Vice President are available to answer any inquiries. Board Members are also given the opportunity to receive the final copy via an electronic format or a printed copy.
F990_P06_S0B_L12c	Form 990, Part VI, Section B, Line 12c	Per the conflict of interest policy, the organization monitors and enforces disclosure compliance of interests that could give rise to conflicts by officers, directors, or trustees, and key employees. Disclosures are completed and submitted to the CEO. Board members will abstain from discussions or approval if there is even an appearance of possible conflict of interest during meetings.
F990_P06_S0B_L15	Form 990, Part VI, Section B, Line 15	The compensation for CEO, other Officers and Key Employees of MDI Hospital is reviewed and approved by the governing body. Utilization of data as to comparable compensation for similarly qualified persons in functionally comparable positions at similarly situated organizations is gathered and analyzed to determine compensation for these positions.
F990_P06_S0C_L19	Form 990, Part VI, Section C, Line 19	The annual report and form 990, including financial information, is available to the public through our website at mdihospital.org. Additional financial information is available on federal and state governmental websites for required reporting. Governing documents, conflict of interest policy are available upon request, as are audited financial statements.
F990_P11_S00_L05	Form 990, Part XI, Line 5	This is made up of Gifts and bequests, interest income on investments, realized gain on sale of investments and other miscellaneous expense.

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
MOUNT DESERT ISLAND HOSPITAL

Employer identification number
01-0211797

Part I

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

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

Part II

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
(1) Birch Bay Village Retirement Community 10 Wayman Lane Bar Harbor, ME 04609 01-0481696	Retirement Community	ME	501(c)(3)	170(b)(1)(A)(iii)	Mount Desert Island Hospital		No

Part III

Identification of Related Organizations Taxable as a Partnership (Complete if the organization answered "Yes" on 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) Dispropportionate 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	

Part IV

Identification of Related Organizations Taxable as a Corporation or Trust (Complete if the organization answered "Yes" on 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
(1) Mount Desert Management Company PO Box 8 10 Wayman Lane Bar Harbor, ME 04609 01-0538776	Real Estate Development	ME	Birch Bay Village Retirement Community	C	37,917	1,047,580	1 00 %

Part V

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

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

1

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

a

Receipt of (i) interest (ii) annuities (iii) royalties (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

Sale of assets to related organization(s)

g

Purchase of assets from related organization(s)

h

Exchange of assets with related organization(s)

i

Lease of facilities, equipment, or other assets to related organization(s)

j

Lease of facilities, equipment, or other assets from related organization(s)

k

Performance of services or membership or fundraising solicitations for related organization(s)

l

Performance of services or membership or fundraising solicitations by related organization(s)

m

Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)

n

Sharing of paid employees with related organization(s)

o

Reimbursement paid to related organization(s) for expenses

p

Reimbursement paid by related organization(s) for expenses

q

Other transfer of cash or property to related organization(s)

r

Other transfer of cash or property from related organization(s)

Yes

No

1a

1b

1c

1d

1e

1f

1g

1h

1i

1j

1k

1l

1m

1n

1o

1p

1q

1r

No

No

No

No

No

No

No

No

No

No

No

No

No

No

No

No

Yes

No

2

If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) Birch Bay Village Retirement Community	q	405,259	Receivable account - a receivable account is maintained on the general ledger of MDI Hospital, as well as an accounts payable account on the general ledger of Birch Bay Village Retirement Community Transfers to the Birch Bay Village Retirement Community account are recorded as receivables at the time of transfer A detail of this account is maintained in order to provide this information
(2)			
(3)			
(4)			
(5)			
(6)			

Schedule R (Form 990) 2011

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.

[illegible]

Part VII

Supplemental Information

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

Identifier	Return Reference	Explanation	
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MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

and

ADDITIONAL INFORMATION

April 30, 2012 and 2011

With Independent Auditors' Report



MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

Audited Consolidated Financial Statements and Additional Information

Years Ended April 30, 2012 and 2011

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Mount Desert Island Hospital

We have audited the accompanying consolidated balance sheets of Mount Desert Island Hospital and Subsidiaries (The Hospital) as of April 30, 2012 and 2011, and the related consolidated statements of operations and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the Hospital's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Mount Desert Island Hospital and Subsidiaries at April 30, 2012 and 2011, and the consolidated results of their operations and changes in their net assets and their consolidated cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The consolidating additional information is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the consolidating information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Berry Dunn McNeil & Parker, LLC

Portland, Maine
August 1, 2012

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

Consolidated Balance Sheets

April 30, 2012 and 2011

ASSETS

	<u>2012</u>	<u>2011</u>
Current assets		
Cash and cash equivalents	\$ 304,118	\$ 52,894
Accounts receivable, less allowance for uncollectible accounts of \$2,264,787 in 2012 and \$1,795,066 in 2011	5,137,860	5,169,781
Due from Birch Bay Village Association	158,333	87,984
Inventoried supplies	533,456	515,042
Prepaid expenses and other current assets	187,446	156,419
Current portion pledges receivable	851,095	760,743
Trustee held funds	<u>954,094</u>	<u>920,829</u>
Total current assets	<u>8,126,402</u>	<u>7,663,692</u>
Assets limited as to use or donor restricted		
Board designated funds	6,383,727	8,022,485
Donor-restricted funds	<u>2,899,262</u>	<u>2,416,509</u>
Total investments	9,282,989	10,438,994
Pledges receivable, net of current portion	1,917,876	2,215,837
Beneficial interest in perpetual trusts	<u>1,548,520</u>	<u>1,657,528</u>
Total assets limited as to use or donor restricted	<u>12,749,385</u>	<u>14,312,359</u>
Estimated settlements from MaineCare	3,040,009	1,918,215
Property and equipment, net	<u>31,877,313</u>	<u>33,031,999</u>
Other assets		
Cottages held for sale	377,588	702,588
Deferred financing costs, net	188,401	206,653
Real estate development costs	243,469	243,469
Resident priority and construction deposits	134,396	125,222
Investments to fund deferred compensation	1,420,011	1,254,548
Other assets	<u>322,593</u>	<u>308,894</u>
Total other assets	<u>2,686,458</u>	<u>2,841,374</u>
Total assets	<u>\$ 58,479,567</u>	<u>\$ 59,767,639</u>

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

LIABILITIES AND NET ASSETS

	<u>2012</u>	<u>2011</u>
Current liabilities		
Lines of credit	\$ 3,367,540	\$ 3,505,248
Current portion of long-term obligations	2,595,648	2,095,425
Accounts payable and other accrued expenses	6,989,380	5,807,578
Accrued payroll and amounts withheld	1,338,817	1,033,027
Accrued employee benefits and related liabilities	2,090,899	2,062,299
Estimated third-party payor settlements	<u>2,220,007</u>	<u>874,365</u>
Total current liabilities	18,602,291	15,377,942
Resident priority and construction deposits	134,396	125,222
Long-term obligations, less current portion	21,571,624	23,603,341
Deferred compensation	<u>1,420,011</u>	<u>1,254,548</u>
Total liabilities	<u>41,728,322</u>	<u>40,361,053</u>
Commitments and contingencies (Notes 8, 9, 15, and 16)		
Net assets		
Unrestricted	9,458,068	12,146,893
Temporarily restricted	5,393,012	5,250,520
Permanently restricted	<u>1,900,165</u>	<u>2,009,173</u>
Total net assets	<u>16,751,245</u>	<u>19,406,586</u>
 Total liabilities and net assets	 <u>\$ 58,479,567</u>	 <u>\$ 59,767,639</u>

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

Consolidated Statements of Operations and Changes in Net Assets

Years Ended April 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Unrestricted revenues, gains and other support		
Net patient service revenue	\$ 50,482,649	\$ 49,496,610
Resident revenue	3,342,963	3,261,651
Sales of cottages, net	5,000	-
Other revenue	1,263,553	1,064,137
Gifts and bequests	683,677	334,956
Net assets released from restrictions used for operations	<u>420,840</u>	<u>271,066</u>
Total revenues, gains and other support	<u>56,198,682</u>	<u>54,428,420</u>
Operating expenses		
Salaries and employee benefits	34,600,765	32,201,511
Supplies and other expenses	16,453,887	15,849,365
Marketing expenses	147,694	149,373
Provision for bad debts	3,091,286	2,965,081
Health care provider tax	871,620	879,638
Depreciation and amortization	2,595,408	2,429,273
Interest	<u>1,212,667</u>	<u>942,672</u>
Total operating expenses	<u>58,973,327</u>	<u>55,416,913</u>
Loss from operations	<u>(2,774,645)</u>	<u>(988,493)</u>
Other income (expense)		
Interest income on investments, net	249,424	263,248
Realized gain on sale of investments	60,122	625,336
Other miscellaneous expense	(92,698)	(129,305)
Loss on early extinguishment of long-term debt	<u>-</u>	<u>(608,152)</u>
Other income (expense), net	<u>216,848</u>	<u>151,127</u>
Deficiency of revenues, gains, and other support over expenses	<u>(2,557,797)</u>	<u>(837,366)</u>
Change in unrealized gains on investments	(680,990)	375,355
Net assets released from restrictions used for purchase of property and equipment	<u>549,962</u>	<u>186,620</u>
Decrease in unrestricted net assets	<u>(2,688,825)</u>	<u>(275,391)</u>

(Continued next page)

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

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

**Consolidated Statements of Operations
and Changes in Net Assets (Concluded)**

Years Ended April 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Decrease in unrestricted net assets (brought forward)	<u>\$ (2,688,825)</u>	<u>\$ (275,391)</u>
Temporarily restricted net assets		
Contributions	<u>1,320,903</u>	<u>1,302,541</u>
Change in pledges receivable, net	<u>(207,609)</u>	<u>2,706,599</u>
Net assets released from restrictions	<u>(970,802)</u>	<u>(457,686)</u>
Increase in temporarily restricted net assets	<u>142,492</u>	<u>3,551,454</u>
Permanently restricted net assets		
Contributions	<u>-</u>	<u>17,162</u>
Change in value of beneficial interest in perpetual trusts	<u>(109,008)</u>	<u>96,016</u>
Increase (decrease) in permanently restricted net assets	<u>(109,008)</u>	<u>113,178</u>
Increase (decrease) in net assets	<u>(2,655,341)</u>	<u>3,389,241</u>
Net assets, beginning of year	<u>19,406,586</u>	<u>16,017,345</u>
Net assets, end of year	<u>\$ 16,751,245</u>	<u>\$ 19,406,586</u>

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

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

Consolidated Statements of Cash Flows

Years Ended April 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Cash flows from operating activities		
Increase (decrease) in net assets	\$ (2,655,341)	\$ 3,389,241
Adjustments to reconcile change in net assets to net cash provided by operating activities		
(Increase) decrease in beneficial interest in perpetual trusts	109,008	(96,016)
Depreciation and amortization	2,595,408	2,429,273
Provision for bad debts	3,091,286	2,965,081
Loss on early extinguishment of long-term debt	-	608,152
Gain on sale of cottage	(5,000)	-
Loss on sale of property and equipment	-	34,014
Change in net unrealized gains on investments	680,990	(375,355)
Realized gains on investments	(60,122)	(625,336)
Restricted contributions	(1,320,903)	(1,319,703)
Pledges receivable, net	207,609	(2,706,599)
Change in operating assets and liabilities		
Accounts receivable	(3,059,365)	(3,559,655)
Other accounts receivable	(84,048)	50,004
Estimated third-party payor settlements	223,848	(2,353,021)
Prepaid expenses and other current assets and inventoried supplies	(49,441)	(9,502)
Accounts payable and other accrued expenses	1,181,802	1,688,981
Accrued payroll and employee benefits	334,390	157,014
Net cash provided by operating activities	<u>1,190,121</u>	<u>276,573</u>
Cash flows from investing activities		
Purchases of property and equipment	(1,440,846)	(9,051,605)
Proceeds from sale of cottages	330,000	-
Purchases of investments	(5,136,437)	(8,510,427)
Proceeds from sales of investments	5,671,574	8,113,925
(Increase) decrease in trustee held funds	(33,265)	549,848
Decrease in resident priority and construction deposits	9,174	7,288
Net cash used by investing activities	<u>(599,800)</u>	<u>(8,890,971)</u>
Cash flows from financing activities		
Restricted contributions	1,320,903	1,319,703
Repayments of long-term obligations	(1,715,625)	(690,901)
Net (repayments) proceeds from lines of credit	(137,708)	47,509
Change in resident priority and contribution deposits	(9,174)	(7,288)
Additions to deferred financing costs	-	(26,554)
Proceeds of long-term obligations	202,507	7,917,555
Net cash (used) provided by financing activities	<u>(339,097)</u>	<u>8,560,024</u>
Increase (decrease) in cash and cash equivalents	251,224	(54,374)
Cash and cash equivalents, beginning of year	<u>52,894</u>	<u>107,268</u>
Cash and cash equivalents, end of year	<u>\$ 304,118</u>	<u>\$ 52,894</u>
Supplemental disclosure of cash flow information		
Cash paid during the year for interest	<u>\$ 1,407,745</u>	<u>\$ 1,130,825</u>

Noncash transactions

In 2011, the Hospital entered into capital lease obligations, acquiring assets with a value of \$278,000. The lease commitments and capital assets have been treated as noncash transactions.

During 2011, the Hospital refinanced its Series 1998A and 2001A Bonds (\$8,347,822) by issuing Series 2010B Bonds (\$9,069,522). The Series 2010B Bonds and the retirement of the Series 1998A and 2001A Bonds have been treated as noncash transactions.

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

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

April 30, 2012 and 2011

1. Nature of Operations

Mount Desert Island Hospital (the Hospital) is a not-for-profit health care facility designated as a critical access hospital located in Bar Harbor, Maine. Birch Bay Retirement Village (BBRV or the Community) operates a facility (the Inn) consisting of 32 assisted living and 23 independent living units. Mount Desert Management Company (MDMC) is a for-profit entity (owned by BBRV) established to develop cottages, which are part of the Community and are located in close proximity to the Inn. Once the cottages are completed and sold, ownership of the cottages is transferred from MDMC to Birch Bay Village Association (BBVA or Association). The Association is a separate entity owned by the shareholders/cottage owners. Its assets, liabilities and operations are not included in these financial statements.

2. Summary of Accounting Policies

Principles of Consolidation

The accompanying financial statements include the accounts of the Hospital and its wholly-owned subsidiaries, BBRV and its subsidiary MDMC. Intercompany balances and transactions have been eliminated from the consolidated financial statements.

Use of Estimates

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

Cash and Cash Equivalents

Highly liquid savings deposits and investments with maturities of three months or less when purchased are considered cash equivalents.

The Hospital maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. It has experienced no losses in such accounts, and management believes it is not exposed to any significant risk on cash and cash equivalents.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to operations and a credit to a valuation allowance based on its assessment of individual accounts and historical adjustments. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to patient accounts receivable.

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

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Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the consolidated balance sheets. Investment income or loss (including realized gains and losses on investments, amortization of premiums and discounts, interest and dividends) is included in other income, unless the income or loss is restricted by donor or law. Gains and losses on sales of investments are computed based on specific identification of the investment sold. Unrealized gains and losses on investments are excluded from the deficiency of revenues, gains and other support over expenses. On a periodic basis, the Hospital evaluates its investments to determine if declines in market value below cost are other than temporary. If such declines are determined to be other than temporary, an impairment charge is recognized and included in the deficiency of revenues, gains and other support over expenses.

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

Inventoried Supplies

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

Assets Limited as to Use

In connection with its bonds payable to Maine Health and Higher Educational Facilities Authority (MHHEFA), the Hospital is required to maintain certain funds which are held by bond trustees. In addition, the Board of Trustees periodically segregates certain general fund assets as internally designated assets in order to provide for the future replacement of property and equipment and other uses.

Temporarily and Permanently Restricted Net Assets

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

Deferred Financing Costs

Deferred financing costs represent costs incurred in connection with the outstanding bonds payable to MHHEFA and are being amortized on a straight-line basis over the term of the respective debt.

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

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Property and Equipment

Property and equipment is stated at cost or at fair value at the date of donation for assets contributed to the Hospital. The provision for amortization and depreciation of property and equipment has been determined on the straight-line method in a manner which is intended to amortize the cost of assets over their estimated useful lives. Assets which have been purchased but not yet placed in service are included in construction in progress and no depreciation expense is recorded on such assets.

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

Net Patient Service Revenue

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges and per diem payments. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined and may be materially different from these estimates. Changes in these estimates are reflected in the consolidated statements in the year in which they occur. Patient services rendered from which payment is expected but ultimately is not received are written off and included as part of the provision for bad debts.

Donor-Restricted Gifts

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

Free and Discounted Care

The Hospital provides care to patients who meet certain criteria under its free and discounted care policy without charge or at amounts less than its established rates. Because the Hospital does not

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

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pursue collection of amounts determined to qualify as free and discounted care, they are not reported as revenue. The Hospital maintains records to identify the amount of charges foregone for services and supplies furnished under its free and discounted care policy, as well as the estimated cost of those services and supplies and equivalent service statistics. The following information measures the level of free and discounted care provided during the year ended April 30:

	<u>2012</u>	<u>2011</u>
Charges foregone, based on established rates	\$ <u>863,000</u>	\$ <u>855,000</u>
Estimated costs and expenses incurred to provide free and discounted care	\$ <u>640,000</u>	\$ <u>610,000</u>
Equivalent percentage of free and discounted care charges to all Hospital patient charges	<u>1.24%</u>	<u>1.26%</u>

Cost of providing free and discounted care services has been estimated based on an overall financial statement ratio of costs to charges applied to free and discounted care charges forgone.

Deficiency of Revenues, Gains, and Other Support Over Expenses

The consolidated statements of operations and changes in net assets include deficiency of revenues, gains, and other support over expenses. Changes in unrestricted net assets which are excluded from this measure, consistent with industry practice, include changes in unrealized gains on investments and net assets released from restrictions used for purchase of property and equipment

Retirement Plan

The Hospital sponsors the Mount Desert Island Hospital Retirement Contribution Plan (the Plan), a defined contribution plan which provides retirement benefits to eligible employees. It is the Hospital's policy to fund the costs of the Plan on an annual basis.

Income Taxes

The Hospital and BBRV are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. MDMC is a for-profit entity and is, therefore, subject to income taxes. Income taxes are recorded based upon the asset and liability method as prescribed by Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740, *Income Taxes*. At April 30, 2012 and 2011, MDMC has certain net operating loss carryforwards which have been reduced by a valuation allowance of an equal amount as it is not presently considered likely that the deferred tax assets will be realized.

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

April 30, 2012 and 2011

New Accounting Pronouncement

In August 2010, the FASB issued Accounting Standards Update (ASU) No. 2010-23, "*Health Care Entities (Topic 954): Measuring Charity Care for Disclosure*", which requires that cost be used as a measurement for charity care disclosure purposes and that cost be identified as the direct and indirect cost of providing the charity care. It also requires disclosure of the method used to identify or determine such costs. The Hospital adopted ASU 2010-23 effective for the year ended April 30, 2012. Since ASU 2010-23 amends disclosure requirements only, its adoption did not impact the Hospital's consolidated balance sheets, statements of operations and changes in net assets, or statements of cash flows.

Reclassification

Certain amounts in the 2011 financial statements have been reclassified to conform to the current year's presentation.

Subsequent Events

For purposes of the preparation of these financial statements in conformity with U.S. generally accepted accounting principles, the Hospital has considered transactions or events occurring through August 1, 2012, which was the date that the financial statements were available to be issued.

In June 2012, BBRV refinanced their outstanding Series 2002A MHHEFA Revenue Bonds, \$1,858,988 at April 30, 2012, by issuing Series 2012A MHHEFA Revenue Bonds.

3. Net Patient Service Revenue

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

- Medicare - The Hospital is designated as a Critical Access Hospital (CAH). Under that designation, the Hospital is reimbursed 101% of allowable cost for its inpatient and outpatient services provided to Medicare patients. The Hospital is reimbursed for cost reimbursable items at tentative interim rates with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare fiscal intermediary. The Hospital's Medicare cost reports have been audited by the Medicare fiscal intermediary through April 30, 2005.

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

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- **MaineCare** - The Hospital's approval for CAH status also impacts reimbursement under the MaineCare program, whereby the Hospital is reimbursed 109% of allowable cost for inpatient and outpatient services. Other items not classified as inpatient or outpatient by MaineCare are reimbursed at cost or some specified discount from cost. The Hospital is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the fiscal intermediary. Final settlements have been issued through April 30, 2005.
- **Anthem** - Services provided to Anthem subscribers were reimbursed at a discount from established charges and settlements are done through a prospective review. Anthem settlements have not been finalized for 2012.
- **Other** - The Hospital has entered into payment agreements with certain commercial insurance carriers and health maintenance organizations. The basis for payment to the Hospital under these agreements includes prospectively determined rates per discharge, discounts from established charges and prospectively determined daily rates.

Revenue from the Medicare and MaineCare programs accounted for approximately 44% and 10%, respectively, of the Hospital's gross patient service revenue for the year ended April 30, 2012, and 44% and 11%, respectively, for the year ended April 30, 2011. Laws and regulations governing the Medicare and MaineCare programs are complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Net patient service revenue increased by approximately \$60,000 in 2012 and decreased by approximately \$200,000 in 2011 as a result of changes to prior year estimated third-party payor settlements.

For several years, interim payments from the MaineCare program have been significantly below the amounts due to the Hospital based upon the reimbursement statutes in effect. In fiscal year 2011, the Hospital paid and received interim settlements for 2007 and 2008, respectively, and paid a tentative settlement for 2009. However, the remaining net outstanding cost settlements due from the MaineCare program (2006 – 2012) have been reported as noncurrent assets because the State of Maine's current budget does not provide for any further settlements. Therefore, they are not reasonably expected to be received within one year of the balance sheet date.

Hospital net patient service revenue consists of the following for the years ended April 30:

	<u>2012</u>	<u>2011</u>
Gross patient service charges	\$69,665,033	\$ 67,743,054
Contractual adjustments	18,319,254	17,391,128
Free and discounted care	<u>863,130</u>	<u>855,316</u>
Net patient service revenue	<u>\$50,482,649</u>	<u>\$ 49,496,610</u>

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

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4. Trustee Held Funds

As part of the agreements the Hospital has with MHHEFA in conjunction with its bond issues, the Hospital is required to maintain certain bond funds. The total amounts held in these funds by a trustee are as follows at April 30:

	<u>2012</u>	<u>2011</u>
Debt service and construction funds:		
1992	\$ 58,563	\$ 58,799
2002A	81,574	78,140
2006F	79,967	76,933
2007B	289,056	280,219
2010B	<u>444,934</u>	<u>426,738</u>
	<u>\$ 954,094</u>	<u>\$ 920,829</u>

All trustee held funds consist of cash and cash equivalents and the market value of these instruments approximates cost.

5. Investments

Investments are designated as follows at April 30:

	<u>2012</u>	<u>2011</u>
Assets limited as to use - board designated:		
J.C. Warren Employee Education Program	\$ 241,374	\$ 252,348
MDI Unrestricted Fund	5,906,060	7,679,223
Other	<u>236,293</u>	<u>90,914</u>
	<u>6,383,727</u>	<u>8,022,485</u>
Assets limited as to use - donor restricted funds:		
Temporarily restricted	2,564,779	2,082,026
Permanently restricted	<u>334,483</u>	<u>334,483</u>
	<u>2,899,262</u>	<u>2,416,509</u>
	<u>\$ 9,282,989</u>	<u>\$ 10,438,994</u>

Unrestricted and restricted investments at fair value consist of the following at April 30:

	<u>2012</u>	<u>2011</u>
Cash and cash equivalents	\$ 3,300,681	\$ 2,395,915
Mutual funds	<u>5,982,308</u>	<u>8,043,079</u>
	<u>\$ 9,282,989</u>	<u>\$ 10,438,994</u>

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

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At April 30, 2012 and 2011, unrealized losses on certain investments whose cost was greater than fair value approximated \$216,900 and \$3,600, respectively. Management considers all impairments to be temporary.

Investment income and gains for assets limited as to use, cash equivalents, and other investments are comprised of the following for the years ended April 30:

	<u>2012</u>	<u>2011</u>
Income		
Interest and dividend income	\$ 291,276	\$ 301,097
Realized gains on sales of securities	60,122	625,336
Management fees	<u>(41,852)</u>	<u>(37,849)</u>
	<u>\$ 309,546</u>	<u>\$ 888,584</u>
Other changes in unrestricted net assets		
Change in net unrealized gains	<u>\$ (680,990)</u>	<u>\$ 375,355</u>

The Hospital's primary responsibility is to provide health care services to the communities within its service area. In order to accomplish this goal, the Hospital maintains resources to assure monies are available to provide for future retirement of debt, replacement of capital equipment, and a return on investment in order to accommodate inflationary increases in equipment costs and to remain technologically current.

In accordance with the State of Maine's Uniform Prudent Management of Institutional Funds Act, the Hospital treats earnings on permanently restricted funds as temporarily restricted until appropriated for expenditure by proper governing Board action.

The basic objectives of the Hospital's investment policy are to emphasize long-term growth of principal while avoiding excessive risk and to achieve returns in excess of spending plus the rate of inflation over the investment horizon in order to preserve the purchasing power of Plan assets to fund new programs and capital purchases. The long-term asset mix of investments is based on the following allocation guidelines.

<u>Asset Class</u>	<u>Range Minimum-Maximum</u>
Equities	40% - 85%
Fixed income securities (including cash equivalents)	0% - 60%
Alternative investments	0% - 20%

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

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Total annualized returns of an actively managed portfolio are expected to:

- Meet or exceed, on a risk adjusted basis, the return of a balanced market index comprised of:

40%	S&P 500
10%	Russell 2000
20%	MSCI EAFE Net Index
20%	Lehman Brothers Govt/Corp
10%	Alternatives Index

- Achieve a real return of 5%, and an absolute return of 8%.

It is expected the investment portfolio will display an overall level of risk which is consistent with the risk associated with the composite benchmark specified above. Risk will be measured by the standard deviation of quarterly returns.

6. Property and Equipment

A summary of property and equipment at April 30 follows:

	<u>2012</u>	<u>2011</u>
Land and improvements	\$ 4,345,903	\$ 3,949,537
Buildings	33,481,515	33,400,637
Fixed equipment	<u>15,043,150</u>	<u>14,503,138</u>
	52,870,568	51,853,312
Less allowances for depreciation and amortization	<u>(25,435,049)</u>	<u>(22,848,436)</u>
	27,435,519	29,004,876
Construction in progress	<u>4,441,794</u>	<u>4,027,123</u>
Property and equipment, net	\$ <u>31,877,313</u>	\$ <u>33,031,999</u>

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

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7. Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are held in the form of long-term investments, contributions receivable from a remainder trust and pledges receivable, and are available for the following purposes:

	<u>2012</u>	<u>2011</u>
Ambulance related programs	\$ 25,000	\$ 25,000
U-Penn Feasibility	633,823	362,516
Community Health Center	152,851	282,610
CT Scanner	-	50,445
Patient care modernization capital campaign	-	2,011
Straus Center support	476,141	594,968
PCS Program support	170,447	199,436
Equipment	56,883	48,840
Campus Expansion support	2,289,519	2,655,487
Women's Health Center Building	283,164	-
Dental Clinic	281,866	208,379
Other	<u>1,023,318</u>	<u>820,828</u>
	<u>\$ 5,393,012</u>	<u>\$ 5,250,520</u>
Permanently restricted net assets are restricted to:		
	<u>2012</u>	<u>2011</u>
Investments to be held in perpetuity, the income from which is expendable for free care and hospital operations (reported as operating income when released)	\$ 351,645	\$ 351,645
Beneficial interest in trust funds held by others	<u>1,548,520</u>	<u>1,657,528</u>
	<u>\$ 1,900,165</u>	<u>\$ 2,009,173</u>

The Hospital is the beneficiary of three trusts at April 30, 2012 and 2011, a portion of the income from which is to be paid to the Hospital in perpetuity. The Hospital's interest in the trusts is recognized as an asset at the fair market value of the underlying assets, which totaled \$1,548,520 and \$1,657,528 as of April 30, 2012 and 2011, respectively. Increases and decreases in the carrying value of these assets are included in permanently restricted net assets.

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

April 30, 2012 and 2011

8. Real Estate Development Costs/Birch Bay Retirement Village

Birch Bay Retirement Village is a retirement community located in Hulls Cove, Maine, which consists of several different components located on the same campus. One component of the Community is a 55-unit facility referred to as the Inn, which consists of 32 assisted living suites and 23 independent living apartments.

The other component of the Community is the development of 20 separate cottage units. The construction costs related to the development of the cottages are carried by MDMC. As of April 30, 2012, construction of 17 of the 20 units is complete. A total of 16 and 15 of the 17 units were sold as of April 30, 2012 and 2011, respectively. The cost of the remaining unsold unit(s) of \$377,588 and \$702,588 is shown as cottages held for sale at April 30, 2012 and 2011, respectively, and the carrying amounts of the cottages approximate their fair values. The remaining real estate development costs of \$243,469 in the consolidated balance sheet at April 30, 2012 and 2011, represent the pro rata common costs related to the development of the three unbuilt cottages. Once the cottages are completed and sold, ownership of the cottages transfers to BBVA and occupancy of the units at BBVA is made available to shareholders of BBVA through residency agreements. The cost of these cottages and operating results of BBVA are not reflected in the Hospital's consolidated financial statements.

The land the cottages are situated on is leased from BBRV to BBVA and is managed by MDMC. The land lease requires monthly rental payments for a period of 99 years. The initial base rent is \$600 per completed cottage per year. Lease payments were \$12,000 in both 2012 and 2011, and management fees were approximately \$125,000 in 2012 and \$117,000 in 2011. Due from BBVA of \$158,333 and \$87,984 at April 30, 2012 and 2011, respectively, represents land lease and cooperative fees.

As of April 30, 2012 and 2011, the Hospital maintained priority deposits to reserve units in the Inn, as well as security deposits for residents, totaling \$134,396 and \$125,222, respectively. These funds are held separately. The priority deposits are noninterest bearing and are refundable.

9. Construction in Progress and Pledges Receivable

During 2008, the Hospital purchased a nearby property and building for approximately \$2.6 million. The purchase was funded in part through the proceeds of the 2007B MHHEFA Revenue Bonds, with the remainder of the funding provided by a mortgage. The Hospital intends to renovate the existing building to provide additional clinic and administrative office space. At April 30, 2012 and 2011, the Hospital has approximately \$3.2 million and \$3.1 million, respectively, of costs in construction in progress related to the project. The expected costs for completion have not yet been determined.

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

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During 2011, the Hospital began the installation and implementation of an Electronic Health Record system. At April 30, 2012 and 2011, the Hospital has approximately \$935,000 and \$674,000, respectively, of costs in construction in progress related to this project. Total estimated costs for completion are approximately \$1.5 million.

At April 30, 2012 and 2011, approximately \$565,000 and \$390,000, respectively, of capitalized interest costs are included in construction in progress.

Pledges receivable under gifts for the related capital and equipment campaigns and the campus expansion gift include the value of future unconditional promises to give from donors for temporarily restricted purposes. The future amounts receivable at April 30, 2012 are as follows:

Capital & Equipment Campaigns

Due within one year	\$ 430,333
Due within two to five years	<u>502,328</u>

Total Capital & Equipment Campaigns receivable	<u>932,661</u>
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Campus Expansion Gift

Due within one year	420,762
Due within two to five years	<u>1,716,657</u>

Total Campus Expansion Gift receivable	<u>2,137,419</u>
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Total receivable	3,070,080
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Less allowance for uncollectible pledges	(25,499)
Less discount to present value	<u>(275,610)</u>

\$ 2,768,971

10. Lines of Credit

The Hospital has an available commercial line of credit with interest at the prime lending rate (3.25% at April 30, 2012). Maximum borrowings under the agreement are \$3,000,000. The line is subject to renewal November 1, 2012.

The Hospital has a second available commercial line of credit with interest at the prime lending rate plus .25% (3.5% at April 30, 2012). Maximum borrowings under the agreement are \$1,000,000. The line is subject to renewal November 1, 2012.

The Hospital has a third available commercial line of credit with interest at the prime lending rate (3.25% at April 30, 2012). Maximum borrowings under the agreement are \$1,000,000. The line is subject to renewal September 14, 2012.

Amounts outstanding on these lines at April 30, 2012 and 2011 were \$3,367,540 and \$3,505,248, respectively. Advances are collateralized by the Hospital's unrestricted investments.

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

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11. Long-Term Obligations

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

	<u>2012</u>	<u>2011</u>
Mount Desert Island Hospital		
MHHEFA Revenue Bonds, Series 2010B, interest rates varying between 3.0% and 5.0%, principal due in amounts ranging from \$120,000 on July 1, 2012 to \$150,000 on July 1, 2018, plus original issue premium of \$53,399 in 2012 and \$60,821 in 2011.	\$ 845,599	\$ 982,188
MHHEFA Revenue Bonds, Series 2007B, interest rates varying between 4.0% and 4.3%, principal due in amounts ranging from \$290,000 on July 1, 2012 to \$430,000 on July 1, 2022, plus original issue premium of \$17,780 in 2012 and \$19,460 in 2011.	3,461,268	3,737,948
MHHEFA Revenue Bonds, Series 2006F, with interest at 4%, principal due in amounts ranging from \$90,000 on July 1, 2012 to \$105,000 on July 1, 2016.	377,200	462,200
MHHEFA Revenue Bonds, Series 1992, interest at 80% of prime rate (2 60% at April 30, 2012), principal due in the amount of \$100,000 on October 1, 2012.	100,000	200,000
\$3,600,000 mortgage note payable, interest rate of 5.5% through February 6, 2016 and then the prime rate (3 25% at April 30, 2012) plus 0.75% through January 6, 2036, monthly installments of \$22,278, including interest through February 6, 2016 becoming variable through January 6, 2036 based on the prime rate in effect; collateralized by real estate.	3,525,094	3,582,063
\$2,700,000 note payable, interest rate of 5.25%, quarterly interest only payments beginning February 1, 2011, annual principal only payments of \$450,000 beginning February 1, 2012 with one final principal and interest payment due February 1, 2017; collateralized by real estate.	2,700,000	2,700,000
\$2,150,000 note payable, interest rate of 5.0%, monthly interest only payments beginning November 30, 2010 through April 30, 2011, principal and interest payments of \$49,583 thereafter through April 30, 2015; collateralized by equipment.	1,286,115	1,514,805

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	<u>2012</u>	<u>2011</u>
\$197,000 mortgage note payable, interest at the greater of the prime rate plus 0.75% or 4.25% (4.25% at April 30, 2012), monthly installments of \$1,074 including interest through May 19, 2035; collateralized by real estate.	188,538	192,084
\$183,750 mortgage note payable, interest at the greater of the prime rate plus 10% or 4.25% (4.25% at April 30, 2012), monthly installments of \$1,002 including interest through March 18, 2036; collateralized by real estate.	179,199	183,420
6% mortgage payable in monthly installments of \$13,612, including interest through January 9, 2028; collateralized by real estate.	1,661,788	1,723,406
Various capital leases bearing interest at fixed rates ranging from 5.24% to 8.04%, maturing through May 2016, collateralized by equipment.	265,416	357,102
Birch Bay Retirement Village		
MHHEFA Revenue Bonds, Series 2010B, interest rates varying between 3.0% and 5.25%, principal due in amounts ranging from \$265,000 on July 1, 2012 to \$600,000 on July 1, 2031, plus net original issue premium of \$243,452 in 2012 and \$256,153 in 2011.	7,735,577	8,003,278
MHHEFA Revenue Bonds, Series 2002A, interest rates varying between 4.0% and 5.125%, principal due in amounts ranging from \$60,000 on July 1, 2012 to \$150,000 on July 1, 2032, net of original issue discount of \$17,510 in 2012 and \$20,944 in 2011.	1,841,478	1,893,044
Mount Desert Management Company		
Loan payable in monthly installments of \$2,542, including interest, at the greater rate of prime plus 1% (4.25% at April 30, 2011) or 5%, through December 1, 2011 with a balloon payment of all outstanding principal and interest due in full on December 31, 2011; collateralized by a mortgage on cottages held for sale.	-	167,228
	24,167,272	25,698,766
Less current portion	2,595,648	2,095,425
Long-term obligations, excluding current portion	<u>\$21,571,624</u>	<u>\$23,603,341</u>

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

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In 2003, BBRV and the Hospital entered into an Assumption and Co-Obligor Agreement (the Agreement) under which BBRV assumed all of the obligations under the Series 2002A and Series 2001A bonds and became co-obligated on a joint and several basis with the Hospital under the bonds. The Hospital was not released or discharged in any way from its obligations under the bonds. In conjunction with the Agreement, the Hospital also transferred the assets related to the Inn, as well as the Series 2002A and 2001A bonds, to BBRV. The 2001A bonds were refunded in full in 2011.

The Hospital and BBRV are required to make monthly deposits with the trustee to fund principal and interest payments on the bonds as they come due. The Hospital's 2010, 2007, 2006, and 1992 bonds are collateralized by a security interest in all gross receipts of the Hospital, its equipment and a mortgage lien on the Hospital. BBRV's 2002 bonds are collateralized by the gross receipts of the Hospital, gross receipts of BBRV and the BBRV facility under a mortgage agreement. The 2010 BBRV bonds are collateralized by the gross receipts of BBRV, its equipment and fixtures, and a mortgage lien on BBRV.

Under its agreements with MHHEFA, the Hospital and BBRV must meet certain restrictive loan covenants. They are not in compliance with certain of these requirements at April 30, 2012.

MDMC has a loan to finance the construction of the cottages for an amount not to exceed \$3,500,000. During 2011, under an allonge dated April 29, 2011, payment terms were amended such that principal and interest are paid monthly through December 1, 2012. Outstanding balances under the note were \$0 and \$167,228 at April 30, 2012 and 2011, respectively. Advances under the loan bear interest at the greater of the prime rate plus 1% (4.25% at April 30, 2012) or 5%, with monthly payments, including interest. The loan is collateralized by the land and cottages to be constructed, as well as an assignment of the purchase and sale contracts entered into and construction deposits held by MDMC. Advances are available for up to 75% of the construction cost of each unit and the bank will advance for construction of two unsold cottages. Advances are to be repaid with 70% of the proceeds from cottage sales and any remaining outstanding principal and interest is due in full on December 31, 2012.

Assets recorded under capital leases totaled \$2,177,951 at April 30, 2012 and 2011. Accumulated amortization associated with these assets totaled \$1,675,237 and \$1,481,830 in 2012 and 2011, respectively. The cost of these assets have been included with property and equipment. Because the Hospital has the right to purchase the leased assets for nominal amounts at the end of the lease terms, such assets are amortized over their useful lives, which exceeds the lease terms. Amortization expense for assets under capital leases was approximately \$193,000 in 2012 and 2011, and has been included with depreciation and amortization expense in the consolidated financial statements.

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

April 30, 2012 and 2011

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

	Long-term Obligations	Capital Lease Obligations
2013	\$ 2,500,010	\$ 114,624
2014	1,961,000	106,520
2015	1,509,000	66,000
2016	1,540,000	5,500
2017	1,499,000	-
Thereafter	<u>14,892,846</u>	<u>-</u>
	23,901,856	292,644
Less amounts representing interest	<u>-</u>	<u>27,228</u>
	<u>\$ 23,901,856</u>	<u>\$ 265,416</u>

12. Deferred Compensation

The Hospital has established a deferred compensation plan that permits management and highly compensated employees to defer portions of their compensation based on Internal Revenue Service guidelines. The Hospital has recorded \$1,420,011 at April 30, 2012, to reflect its liability under this plan. The Hospital has established a Trust to finance obligations under the plan. The Hospital has recorded a corresponding asset of \$1,420,011 (assets consist entirely of mutual funds) at April 30, 2012. Under the plan, all gains and losses in trust fund investments increase or decrease the deferred compensation liability.

13. Retirement Plan

The Hospital has a defined contribution retirement plan which allows employees to defer certain amounts into the plan and also provides for employer contributions into the plan on behalf of an employee up to 3.5% of employee earnings. Participation in the plan is subject to certain eligibility requirements. Pension expense was \$634,399 and \$761,793 for 2012 and 2011, respectively.

14. Concentration of Credit Risk

The Hospital grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors was as follows:

	<u>2012</u>	<u>2011</u>
Medicare	22 %	26 %
MaineCare	13	17
Anthem	7	7
Other third-party payors	24	22
Patients	<u>34</u>	<u>28</u>
	<u>100 %</u>	<u>100 %</u>

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

April 30, 2012 and 2011

15. Contingencies

Medical Malpractice Insurance

The Hospital maintains malpractice insurance coverage on a claims made basis. The Hospital is subject to complaints, claims and litigation due to potential claims which arise in the normal course of business. GAAP requires the Hospital to accrue the ultimate cost of malpractice claims when the incident that gives rise to the claim occurs, without consideration of insurance recoveries. Expected recoveries are presented as a separate asset. The Hospital has evaluated its exposure to losses arising from potential claims and determined no such accrual is necessary for the year ended April 30, 2012. The Hospital intends to renew coverage on a claims made basis and anticipates that such coverage will be available.

Self-Insurance Program

The Hospital self-insures its employee health benefits and has estimated and recorded amounts to meet its expected obligations under the program. Total expense for health benefits was \$6,456,828 and \$4,947,813, in 2012 and 2011, respectively. The Hospital provided services totaling \$3,484,518 and \$2,654,554 in 2012 and 2011, respectively, which represents services rendered for Hospital employees for which the Hospital recorded revenue. Stop loss insurance coverage is in effect which mitigates the Hospital's exposure to loss on an individual and aggregate basis.

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

16. Operating Leases

The Hospital maintained a building and land lease for office and parking space in Bar Harbor, Maine. The lease consisted of rent of the first and second floor, including parking space, for a period of ten years commencing on June 1, 2005 and ending May 31, 2015, and rent of the third floor for a period of five years commencing on June 1, 2005 and ending May 31, 2010. Rent expense related to this lease was approximately in \$247,500 in 2011. This lease was terminated in January 2011 due to the purchase of the land and building by the Hospital.

The Hospital also leases medical buildings and equipment under operating leases with varying terms and expiration dates. Rent expense, under these leases, for the years ended April 30, 2012 and 2011, was \$192,602 and \$187,365, respectively. At April 30, 2012, future minimum payments are approximately as follows:

2013	\$	169,326
2014		166,187
2015		157,506
2016		<u>59,355</u>
	\$	<u><u>552,374</u></u>

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

April 30, 2012 and 2011

17. Volunteer Services (Unaudited)

Total volunteer service hours provided annually to the Hospital were approximately 5,000 and 3,900 in 2012 and 2011, respectively. The volunteers provide various nonspecialized services to the Hospital, none of which have been recognized as revenue or expense in the statement of operations.

18. Functional Expenses

The Hospital provides general health services to residents within its geographic location. Expense related to providing these services are as follows:

	<u>2012</u>	<u>2011</u>
Health care services	\$42,028,067	\$ 39,456,208
General and administrative	11,841,771	10,922,027
Health care provider tax	871,620	879,638
Cottage and Inn expenses	<u>4,231,869</u>	<u>4,159,040</u>
	<u>\$58,973,327</u>	<u>\$ 55,416,913</u>

Included in general and administrative expense are fundraising costs of \$303,757 and \$309,263 in 2012 and 2011, respectively.

19. Fair Value Measurements

FASB ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. FASB ASC 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value.

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data.

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

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

April 30, 2012 and 2011

Assets and liabilities measured at fair value on a recurring basis are summarized below. Fair values were primarily determined using market and income approaches.

<u>Fair Value Measurements at April 30, 2012</u>				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets:				
Cash and cash equivalents	\$ 3,300,681	\$ -	\$ -	\$ 3,300,681
Mutual funds				
Exchange traded funds	1,279,664	-	-	1,279,664
Balanced funds	127,515	-	-	127,515
Fixed funds	1,558,029	-	-	1,558,029
Growth funds	1,172,218	-	-	1,172,218
Value funds	487,626	-	-	487,626
International funds	1,357,256	-	-	1,357,256
Investments to fund deferred compensation	1,420,011	-	-	1,420,011
Beneficial interest in perpetual trusts	<u>-</u>	<u>-</u>	<u>1,548,520</u>	<u>1,548,520</u>
Total	<u>\$ 10,703,000</u>	<u>\$ -</u>	<u>\$ 1,548,520</u>	<u>\$ 12,251,520</u>

<u>Fair Value Measurements at April 30, 2011</u>				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets:				
Cash and cash equivalents	\$ 2,395,915	\$ -	\$ -	\$ 2,395,915
Mutual funds				
Exchange traded funds	1,567,784	-	-	1,567,784
Balanced funds	523,129	-	-	523,129
Fixed funds	1,121,391	-	-	1,121,391
Growth funds	2,258,382	-	-	2,258,382
Value funds	679,369	-	-	679,369
International funds	1,893,024	-	-	1,893,024
Investments to fund deferred compensation	1,254,548	-	-	1,254,548
Beneficial interest in perpetual trusts	<u>-</u>	<u>-</u>	<u>1,657,528</u>	<u>1,657,528</u>
Total	<u>\$ 11,693,542</u>	<u>\$ -</u>	<u>\$ 1,657,528</u>	<u>\$ 13,351,070</u>

The fair value of Level 3 assets is based on the market prices of the underlying assets, but is classified as Level 3 as there is no market in which to trade the beneficial interest itself.

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

April 30, 2012 and 2011

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

Balance, May 1, 2010	\$ 1,561,512
Change in value of trusts	<u>96,016</u>
Balance, April 30, 2011	1,657,528
Change in value of trusts	<u>(109,008)</u>
Balance, April 30, 2012	\$ <u>1,548,520</u>

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

Consolidating Balance Sheet

April 30, 2012

ASSETS

	Mount Desert Island Hospital	Consolidated Birch Bay Retirement Village	Elimi- nations	Total
Current assets				
Cash and cash equivalents	\$ 45,798	\$ 258,320	\$ -	\$ 304,118
Accounts receivable, net	5,020,765	117,095	-	5,137,860
Due from Birch Bay Village Association	-	158,333	-	158,333
Inventoried supplies	533,456	-	-	533,456
Prepaid expenses and other current assets	172,391	15,055	-	187,446
Current portion of pledges receivable	851,095	-	-	851,095
Trustee held funds	<u>537,860</u>	<u>416,234</u>	<u>-</u>	<u>954,094</u>
Total current assets	<u>7,161,365</u>	<u>965,037</u>	<u>-</u>	<u>8,126,402</u>
Assets limited as to use or donor restricted				
Board designated funds	6,383,727	-	-	6,383,727
Donor-restricted funds	<u>2,899,262</u>	<u>-</u>	<u>-</u>	<u>2,899,262</u>
Total investments	9,282,989	-	-	9,282,989
Pledges receivable, net of current portion	1,917,876	-	-	1,917,876
Beneficial interest in perpetual trusts	<u>1,548,520</u>	<u>-</u>	<u>-</u>	<u>1,548,520</u>
Total assets limited as to use or donor restricted	<u>12,749,385</u>	<u>-</u>	<u>-</u>	<u>12,749,385</u>
Due from affiliates	4,568,187	309,807	(4,877,994)	-
Estimated settlements from MaineCare	3,040,009	-	-	3,040,009
Property and equipment, net	<u>23,342,117</u>	<u>8,535,196</u>	<u>-</u>	<u>31,877,313</u>
Other assets				
Cottages held for sale	-	377,588	-	377,588
Deferred financing costs, net	86,894	101,507	-	188,401
Real estate development costs	-	243,469	-	243,469
Resident priority and construction deposits	-	134,396	-	134,396
Investments to fund deferred compensation	1,420,011	-	-	1,420,011
Other assets	<u>192,593</u>	<u>130,000</u>	<u>-</u>	<u>322,593</u>
Total other assets	<u>1,699,498</u>	<u>986,960</u>	<u>-</u>	<u>2,686,458</u>
Total assets	<u>\$ 52,560,561</u>	<u>\$ 10,797,000</u>	<u>\$ (4,877,994)</u>	<u>\$ 58,479,567</u>

LIABILITIES AND NET ASSETS (DEFICIT)

	Mount Desert Island Hospital	Consolidated Birch Bay Retirement Village	Elimi- nations	Total
Current liabilities				
Lines of credit	\$ 3,367,540	\$ -	\$ -	\$ 3,367,540
Current portion of long-term obligations	2,270,648	325,000	-	2,595,648
Accounts payable and other accrued expenses	6,654,330	335,050	-	6,989,380
Accrued payroll and amounts withheld	1,162,569	176,248	-	1,338,817
Accrued employee benefits and related liabilities	2,090,899	-	-	2,090,899
Estimated third-party payor settlements	<u>2,220,007</u>	<u>-</u>	<u>-</u>	<u>2,220,007</u>
Total current liabilities	17,765,993	836,298	-	18,602,291
Due to affiliate	309,807	4,568,187	(4,877,994)	-
Resident priority and construction deposits	-	134,396	-	134,396
Long-term obligations, less current portion	12,319,569	9,252,055	-	21,571,624
Deferred compensation	<u>1,420,011</u>	<u>-</u>	<u>-</u>	<u>1,420,011</u>
Total liabilities	<u>31,815,380</u>	<u>14,790,936</u>	<u>(4,877,994)</u>	<u>41,728,322</u>
Net assets (deficit)				
Unrestricted	13,622,451	(4,164,383)	-	9,458,068
Temporarily restricted	5,222,565	170,447	-	5,393,012
Permanently restricted	<u>1,900,165</u>	<u>-</u>	<u>-</u>	<u>1,900,165</u>
Total net assets	<u>20,745,181</u>	<u>(3,993,936)</u>	<u>-</u>	<u>16,751,245</u>
 Total liabilities and net assets (deficit)	 \$ <u>52,560,561</u>	 \$ <u>10,797,000</u>	 \$ <u>(4,877,994)</u>	 \$ <u>58,479,567</u>

MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

Consolidating Statement of Operations and Changes in Net Assets (Deficit)

Year Ended April 30, 2012

	Mount Desert Island Hospital	Consolidated Birch Bay Retirement Village	Elimi- nations	Total
Unrestricted revenues, gains and other support:				
Net patient service revenue	\$ 50,482,649	\$ -	\$ -	\$ 50,482,649
Resident revenue	-	3,342,963	-	3,342,963
Sales of cottages, net	-	5,000	-	5,000
Other revenue	941,578	321,975	-	1,263,553
Gifts and bequests	683,677	-	-	683,677
Net assets released from restrictions used for operations	<u>389,507</u>	<u>31,333</u>	<u>-</u>	<u>420,840</u>
Total revenues, gains and other support	<u>52,497,411</u>	<u>3,701,271</u>	<u>-</u>	<u>56,198,682</u>
Operating expenses				
Salaries and employee benefits	32,177,253	2,423,512	-	34,600,765
Supplies and other expenses	15,623,450	830,437	-	16,453,887
Marketing expenses	-	147,694	-	147,694
Provision for bad debts	3,091,286	-	-	3,091,286
Health care provider tax	871,620	-	-	871,620
Depreciation and amortization	2,170,997	424,411	-	2,595,408
Interest	<u>806,852</u>	<u>405,815</u>	<u>-</u>	<u>1,212,667</u>
Total operating expenses	<u>54,741,458</u>	<u>4,231,869</u>	<u>-</u>	<u>58,973,327</u>
Loss from operations	<u>(2,244,047)</u>	<u>(530,598)</u>	<u>-</u>	<u>(2,774,645)</u>
Other income (expense)				
Interest income on investments, net	249,424	-	-	249,424
Realized gain on sale of investments	60,122	-	-	60,122
Other miscellaneous	<u>(141,187)</u>	<u>48,489</u>	<u>-</u>	<u>(92,698)</u>
Other income (expense), net	<u>168,359</u>	<u>48,489</u>	<u>-</u>	<u>216,848</u>
Deficiency of revenues, gains and other support over expenses	(2,075,688)	(482,109)	-	(2,557,797)

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MOUNT DESERT ISLAND HOSPITAL AND SUBSIDIARIES

Consolidating Statements of Operations and Changes in Net Assets (Deficit) (Concluded)

Year Ended April 30, 2012

	Mount Desert Island Hospital	Consolidated Birch Bay Retirement Village	Elimi- nations	Total
Deficiency of revenues, gains and other support over expenses (brought forward)	\$ (2,075,688)	\$ (482,109)	\$ -	\$ (2,557,797)
Change in unrealized gains on investments	(680,990)	-	-	(680,990)
Net assets released from restrictions used for purchase of property and equipment	<u>549,962</u>	<u>-</u>	<u>-</u>	<u>549,962</u>
Decrease in unrestricted net assets	<u>(2,206,716)</u>	<u>(482,109)</u>	<u>-</u>	<u>(2,688,825)</u>
Temporarily restricted net assets				
Contributions	1,318,559	2,344	-	1,320,903
Change in pledges receivable, net	(207,609)	-	-	(207,609)
Net assets released from restrictions	<u>(939,469)</u>	<u>(31,333)</u>	<u>-</u>	<u>(970,802)</u>
Increase (decrease) in temporarily restricted net assets	<u>171,481</u>	<u>(28,989)</u>	<u>-</u>	<u>142,492</u>
Permanently restricted net assets				
Change in value of beneficial interest in perpetual trusts	<u>(109,008)</u>	<u>-</u>	<u>-</u>	<u>(109,008)</u>
Decrease in permanently restricted net assets	<u>(109,008)</u>	<u>-</u>	<u>-</u>	<u>(109,008)</u>
Decrease in net assets	(2,144,243)	(511,098)	-	(2,655,341)
Net assets (deficit), beginning of year	<u>22,889,424</u>	<u>(3,482,838)</u>	<u>-</u>	<u>19,406,586</u>
Net assets (deficit), end of year	<u>\$ 20,745,181</u>	<u>\$ (3,993,936)</u>	<u>\$ -</u>	<u>\$ 16,751,245</u>

BIRCH BAY RETIREMENT VILLAGE AND SUBSIDIARY

Consolidating Balance Sheet

April 30, 2012

ASSETS

	Birch Bay Retirement Village	Mount Desert Management Company	Elimi- nations	Total
Current assets				
Cash and cash equivalents	\$ 77,641	\$ 180,679	\$ -	\$ 258,320
Accounts receivable, net	116,089	1,006	-	117,095
Due from (to) Birch Bay Village Association	225,750	(67,417)	-	158,333
Prepaid expenses and other current assets	12,607	2,448	-	15,055
Trustee held funds	<u>416,234</u>	<u>-</u>	<u>-</u>	<u>416,234</u>
Total current assets	<u>848,321</u>	<u>116,716</u>	<u>-</u>	<u>965,037</u>
Due from affiliates	465,413	309,807	(465,413)	309,807
Property and equipment, net	<u>8,535,196</u>	<u>-</u>	<u>-</u>	<u>8,535,196</u>
Other assets				
Cottages held for sale	-	377,588	-	377,588
Deferred financing costs, net	101,507	-	-	101,507
Real estate development costs	-	243,469	-	243,469
Resident priority and construction deposits	134,396	-	-	134,396
Other assets	<u>130,000</u>	<u>-</u>	<u>-</u>	<u>130,000</u>
Total other assets	<u>365,903</u>	<u>621,057</u>	<u>-</u>	<u>986,960</u>
Total assets	<u>\$ 10,214,833</u>	<u>\$ 1,047,580</u>	<u>\$ (465,413)</u>	<u>\$ 10,797,000</u>

LIABILITIES AND NET ASSETS (DEFICIT)

	Birch Bay Retirement <u>Village</u>	Mount Desert Management <u>Company</u>	Elimi- nations	<u>Total</u>
Current liabilities				
Current portion of long-term obligations	\$ 325,000	\$ -	\$ -	\$ 325,000
Accounts payable and other accrued expenses	332,601	2,449	-	335,050
Accrued payroll and amounts withheld	<u>176,248</u>	<u>-</u>	<u>-</u>	<u>176,248</u>
Total current liabilities	833,849	2,449	-	836,298
Due to affiliate	4,568,187	465,413	(465,413)	4,568,187
Resident priority and construction deposits	134,396	-	-	134,396
Long-term obligations, less current portion	<u>9,252,055</u>	<u>-</u>	<u>-</u>	<u>9,252,055</u>
Total liabilities	<u>14,788,487</u>	<u>467,862</u>	<u>(465,413)</u>	<u>14,790,936</u>
Net (deficit) assets				
Unrestricted net (deficit) assets	(4,744,101)	579,718	-	(4,164,383)
Temporarily restricted net assets	<u>170,447</u>	<u>-</u>	<u>-</u>	<u>170,447</u>
Total net (deficit) assets	<u>(4,573,654)</u>	<u>579,718</u>	<u>-</u>	<u>(3,993,936)</u>
Total liabilities and net (deficit) assets	\$ <u>10,214,833</u>	\$ <u>1,047,580</u>	\$ <u>(465,413)</u>	\$ <u>10,797,000</u>

BIRCH BAY RETIREMENT VILLAGE AND SUBSIDIARY

Consolidating Statement of Operations and Changes in Net Assets (Deficit)

Year Ended April 30, 2012

	Birch Bay Retirement Village	Mount Desert Management Company	Elimi- nations	Total
Unrestricted revenues, gains and other support				
Resident revenue	\$ 3,342,963	\$ -	\$ -	\$ 3,342,963
Sales of cottages, net	-	5,000	-	5,000
Other revenue	284,675	37,300	-	321,975
Net assets released from restrictions used for operations	<u>31,333</u>	<u>-</u>	<u>-</u>	<u>31,333</u>
Total revenues, gains and other support	<u>3,658,971</u>	<u>42,300</u>	<u>-</u>	<u>3,701,271</u>
Operating expenses				
Salaries and employee benefits	2,423,512	-	-	2,423,512
Supplies and other expenses	812,454	17,983	-	830,437
Marketing expenses	108,367	39,327	-	147,694
Depreciation and amortization	424,411	-	-	424,411
Interest	<u>401,538</u>	<u>4,277</u>	<u>-</u>	<u>405,815</u>
Total operating expenses	<u>4,170,282</u>	<u>61,587</u>	<u>-</u>	<u>4,231,869</u>
Loss from operations	(511,311)	(19,287)	-	(530,598)
Other income (expense)				
Other miscellaneous income (expense)	<u>(8,715)</u>	<u>57,204</u>	<u>-</u>	<u>48,489</u>
Other income (expense), net	<u>(8,715)</u>	<u>57,204</u>	<u>-</u>	<u>48,489</u>
Increase (decrease) in unrestricted net assets	<u>(520,026)</u>	<u>37,917</u>	<u>-</u>	<u>(482,109)</u>
Temporarily restricted net assets				
Contributions	2,344	-	-	2,344
Net assets released from restrictions used for operations	<u>(31,333)</u>	<u>-</u>	<u>-</u>	<u>(31,333)</u>
Decrease in temporarily restricted net assets	<u>(28,989)</u>	<u>-</u>	<u>-</u>	<u>(28,989)</u>
Increase (decrease) in net assets	(549,015)	37,917	-	(511,098)
Net assets (deficit), beginning of year	<u>(4,024,639)</u>	<u>541,801</u>	<u>-</u>	<u>(3,482,838)</u>
Net assets (deficit), end of year	<u>\$ (4,573,654)</u>	<u>\$ 579,718</u>	<u>\$ -</u>	<u>\$ (3,993,936)</u>

