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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)

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

OMB No 1545-0047

2011

Open to Public Inspection

A For the 2011 calendar year, or tax year beginning 07-01-2011 and ending 06-30-2012

B Check if applicable

☐ Address change

☐ Name change

☐ Initial return

☐ Terminated

☐ Amended return

☐ Application pending

C Name of organization

MaineGeneral Health and Affiliates

Doing Business As

See Schedule O

Care at Graybirch

Number and street (or P O box if mail is not delivered to street address)

Room/suite

6 East Chestnut Street

City or town, state or country, and ZIP + 4

Augusta, ME 043305717

F Name and address of principal officer

Charles Hays

6 East Chestnut Street

Augusta, ME 043305717

H(a) Is this a group return for affiliates?

☒ Yes ☐ No

H(b) Are all affiliates included?

☒ Yes ☐ No

If "No," attach a list (see instructions)

H(c) Group exemption number

9706

I Tax-exempt status

☒ 501(c)(3) ☐ 501(c) () ☐ (insert no) ☐ 4947(a)(1) or ☐ 527

J Website:

www.mainegeneral.org

K Form of organization

☒ Corporation ☐ Trust ☐ Association ☐ Other

L Year of formation

1997

M State of legal domicile

ME

Part I

Summary

Activities & Governance	<div>1</div>	Briefly describe the organization's mission or most significant activities See Schedule O		
	<div>2</div>	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
	<div>3</div>	Number of voting members of the governing body (Part VI, line 1a)	3	42
	<div>4</div>	Number of independent voting members of the governing body (Part VI, line 1b)	4	30
	<div>5</div>	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	5	4,330
	<div>6</div>	Total number of volunteers (estimate if necessary)	6	420
	<div>7a</div>	Total unrelated business revenue from Part VIII, column (C), line 12	7a	1,673,410
	<div>7b</div>	Net unrelated business taxable income from Form 990-T, line 34	7b	168,391
Revenue	<div>8</div>	Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	<div>9</div>	Program service revenue (Part VIII, line 2g)	6,471,575	16,544,008
	<div>10</div>	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	402,402,520	432,151,705
	<div>11</div>	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	5,439,239	-16,496,435
	<div>12</div>	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	14,700,512	2,696,613
Expenses			429,013,846	434,895,891
	<div>13</div>	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	14,925	5,755
	<div>14</div>	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	<div>15</div>	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	215,656,665	226,341,778
	<div>16a</div>	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	<div>b</div>	Total fundraising expenses (Part IX, column (D), line 25) 1,057,363		
	<div>17</div>	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	191,807,501	199,341,643
Net Assets or Fund Balances	<div>18</div>	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	407,479,091	425,689,176
	<div>19</div>	Revenue less expenses Subtract line 18 from line 12	21,534,755	9,206,715
			Beginning of Current Year	End of Year
	<div>20</div>	Total assets (Part X, line 16)	376,506,086	707,126,351
	<div>21</div>	Total liabilities (Part X, line 26)	137,621,204	468,725,164
	<div>22</div>	Net assets or fund balances Subtract line 21 from line 20	238,884,882	238,401,187

Part II

Signature Block

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

Sign Here

Signature of officer

Michael Koziol Sr Vice President & CFO

2013-04-06

Date

Paid Preparer's Use Only

Preparer's signature

E Drew Cheney

Firm's name (or yours if self-employed), address, and ZIP + 4

Baker Newman & Noyes

280 Fore Street

Portland, ME 04101

Date

Check if self-employed

☐

Preparer's taxpayer identification number (see instructions)

P00182972

EIN

01-0494526

Phone no

(207) 879-2100

May the IRS discuss this return with the preparer shown above? (see instructions)

☐ Yes ☐ No

For Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y

Form 990 (2011)

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

See Schedule O

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

checked

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

checked

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 \$ 323,742,448 including grants of \$ 5,255) (Revenue \$ 390,261,106)

See Schedule O

4b

(Code) (Expenses \$ 18,579,388 including grants of \$) (Revenue \$ 19,266,256)

See Schedule O

4c

(Code) (Expenses \$ 17,741,288 including grants of \$ 500) (Revenue \$ 19,416,065)

See Schedule O

(Code) (Expenses \$ 2,874,509 including grants of \$) (Revenue \$ 4,228,255)

MaineGeneral Retirement Community provides various stages of assisted living support to an elderly community. The company provides independent living cottage and lodge units, assisted living units as well as an Alzheimer's unit.

4d

Other program services (Describe in Schedule O)





















(Expenses \$ 2,874,509 including grants of \$) (Revenue \$ 4,228,255)

4e

Total program service expenses \$ 362,937,633

Part IV

Checklist of Required Schedules

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A.</i> 	1	Yes
2	Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> (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? <i>If "Yes," complete Schedule C, Part I.</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? <i>If "Yes," complete Schedule C, Part II.</i> 	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? <i>If "Yes," complete Schedule C, Part III.</i> 	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? <i>If "Yes," complete Schedule D, Part I.</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? <i>If "Yes," complete Schedule D, Part II.</i> 	7	No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III.</i> 	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? <i>If "Yes," complete Schedule D, Part IV.</i> 	9	No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V.</i> 	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? <i>If "Yes," complete Schedule D, Part VI.</i> 	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? <i>If "Yes," complete Schedule D, Part VII.</i> 	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? <i>If "Yes," complete Schedule D, Part VIII.</i> 	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? <i>If "Yes," complete Schedule D, Part IX.</i> 	11d	No
e	Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X.</i> 	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)? <i>If "Yes," complete Schedule D, Part X.</i> 	11f	Yes
12a	Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII.</i> 	12a	No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional.</i> 	12b	Yes
13	Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E.</i>	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? <i>If "Yes," complete Schedule F, Part I.</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 ? <i>If "Yes," complete Schedule F, Part II and IV.</i>	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 ? <i>If "Yes," complete Schedule F, Part III and IV.</i>	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? <i>If "Yes," complete Schedule G, Part I.</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? <i>If "Yes," complete Schedule G, Part II.</i>	18	Yes
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III.</i>	19	Yes
20a	Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H.</i> 	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	Yes	
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			
Check if Schedule O contains a response to any question in this Part V <input type="checkbox"/>			
		Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	1a 586	
b	Enter the number of Forms W-2G included in line 1a <i>Enter -0-</i> if not applicable	1b 0	
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, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return 	2a 4,330	
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	Yes
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year? 	3a	Yes
b	If "Yes," has it filed a Form 990-T for this year? <i>If "No," provide an explanation in Schedule O</i>	3b	Yes
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).		
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? 	7a	Yes
b	If "Yes," did the organization notify the donor of the value of the goods or services provided? 	7b	Yes
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282? 	7c	Yes
d	If "Yes," indicate the number of Forms 8282 filed during the year 	7d 1	
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? 	7e	No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? 	7f	No
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.		
a	Did the organization make any taxable distributions under section 4966? 	9a	
b	Did the organization make a distribution to a donor, donor advisor, or related person? 	9b	
10	Section 501(c)(7) organizations. Enter		
a	Initiation fees and capital contributions included on Part VIII, line 12 	10a	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b	
11	Section 501(c)(12) organizations. Enter		
a	Gross income from members or shareholders 	11a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them) 	11b	
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.		
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	13a	
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	13b	
c	Enter the aggregate amount of reserves on hand	13c	
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? <i>If "No," provide an explanation in Schedule O</i>	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	42		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	30
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	Yes
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	Yes
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	Yes

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed
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 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. Mary Griswold Controller 6 East Chestnut Street Augusta, ME 04330 (207) 626-1000

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

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 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

[illegible]

Part VII

1b	Sub-Total	▼			
c	Total from continuation sheets to Part VII, Section A	▼			
d	Total (add lines 1b and 1c)	▼	4,390,279	1,252,805	611,929

2 Total number of individuals (including but not limited to those listed in Item 1) who received more than \$100,000 of reportable compensation from the organization in 2031

		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>	3	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>	4	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>	5	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
Robins & Morton 19 Greenwood Park Winthrop, ME 04364	Construction	17,320,392
Maine Dartmouth Family Medicine Residenc 15 E Chestnut Street Augusta, ME 043305796	Residency Services	9,905,817
Maine Medical Center 443 Congress Street 5th Floor Portland, ME 041013546	Healthcare Services	686,238
Kozak and Gayer PA 160 Capitol Street Augusta, ME 043305796	Legal Services	501,779
Huy Tieu MD 11 Cunningham Road Freeport, ME 04032	Healthcare Services	453,589

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 ►12

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	70,980			
	b	Membership dues	1b				
	c	Fundraising events	1c	20,000			
	d	Related organizations	1d	196,000			
	e	Government grants (contributions)	1e	2,791,053			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	13,465,975			
	g	Noncash contributions included in lines 1a-1f \$ 239,119					
	h	Total. Add lines 1a-1f					
Program Service Revenue			Business Code				
	2a	Hospital Revenues	621990	389,140,300	388,540,007	600,293	
	b	Long Term Care Revenue	623000	19,335,211	19,335,211		
	c	Hospice and Homecare R	621610	16,821,614	16,821,614		
	d	Retirement Community R	623990	4,061,167	4,061,167		
	e	Behavioral Health and	621990	2,444,642	2,444,642		
	f	All other program service revenue		348,771	80,854	267,917	
	g	Total. Add lines 2a-2f			432,151,705		
Other Revenue	3	Investment income (including dividends, interest and other similar amounts)		1,673,575			1,673,575
	4	Income from investment of tax-exempt bond proceeds . .					
	5	Royalties					
	6a	(i) Real					
		232,533					
		(ii) Personal					
		0					
	b	Less rental expenses					
	c	Rental income or (loss)					
	d	Net rental income or (loss)		232,533	232,533		
	7a	(i) Securities					
		174,131,073					
		(ii) Other					
		3,048,000					
	b	Less cost or other basis and sales expenses					
	c	Gain or (loss)					
	d	Net gain or (loss)		-18,170,010			-18,170,010
	8a	Gross income from fundraising events (not including \$ 20,000 of contributions reported on line 1c) See Part IV, line 18					
		a	7,623				
		b	24,397				
c	Net income or (loss) from fundraising events . .		-16,774			-16,774	
9a	Gross income from gaming activities See Part IV, line 19						
	a	30,000					
	b	10,000					
c	Net income or (loss) from gaming activities . .		20,000			20,000	
10a	Gross sales of inventory, less returns and allowances						
	a						
	b						
b	Less cost of goods sold						
c	Net income or (loss) from sales of inventory . .						
Miscellaneous Revenue		Business Code					
11a	Joint Ventures	621500	2,000,778	1,655,654	345,124		
b	Management and Financi	561000	460,076		460,076		
c							
d	All other revenue						
e	Total. Add lines 11a-11d			2,460,854			
12	Total revenue. See Instructions			434,895,891	433,171,682	1,673,410	-16,493,209

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				
2	Grants and other assistance to individuals in the United States See Part IV, line 22	5,755	5,755		
3	Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	202,992	30,430	172,562	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	180,103,205	170,403,882	9,699,323	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	9,378,245	8,823,944	554,301	
9	Other employee benefits	24,557,585	23,213,041	1,344,544	
10	Payroll taxes	12,099,751	11,460,507	639,244	
11	Fees for services (non-employees)				
a	Management	24,705,728		23,648,365	1,057,363
b	Legal	526,040		526,040	
c	Accounting				
d	Lobbying				
e	Professional fundraising See Part IV, line 17				
f	Investment management fees	149,068		149,068	
g	Other	24,829,695	22,860,913	1,968,782	
12	Advertising and promotion	829,203	829,203		
13	Office expenses	1,905,797	1,733,922	171,875	
14	Information technology	6,647,526	285,473	6,362,053	
15	Royalties				
16	Occupancy	14,777,087	13,973,515	803,572	
17	Travel	1,442,537	1,380,413	62,124	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	676,427	579,581	96,846	
20	Interest	1,823,665	1,823,665		
21	Payments to affiliates	250,000	250,000		
22	Depreciation, depletion, and amortization	19,779,725	12,775,466	7,004,259	
23	Insurance	4,033,012		4,033,012	
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	Medical Supplies	26,075,000	26,075,000		
b	Bad Debt Writeoffs	23,071,362	23,071,362		
c	Drugs and Solutions	19,842,501	19,842,501		
d	State Tax on Revenue	7,875,522	7,875,522		
e					
f	All other expenses	20,101,748	15,643,538	4,458,210	
25	Total functional expenses. Add lines 1 through 24f	425,689,176	362,937,633	61,694,180	1,057,363
26	Joint costs. Check here 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			10,614	1	315,199
	2	Savings and temporary cash investments			24,603,219	2	19,011,801
	3	Pledges and grants receivable, net			4,305,327	3	20,973,331
	4	Accounts receivable, net			40,549,708	4	83,118,383
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L				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				6	
	7	Notes and loans receivable, net			83,936	7	47,224
	8	Inventories for sale or use			4,694,903	8	4,005,167
	9	Prepaid expenses and deferred charges			4,417,791	9	4,533,393
	10a	Land, buildings, and equipment, cost or other basis. Complete Part VI of Schedule D	10a	407,500,307			
	b	Less: accumulated depreciation	10b	173,751,345	158,107,358	10c	233,748,962
	11	Investments—publicly traded securities			122,807,125	11	329,280,715
	12	Investments—other securities. See Part IV, line 11				12	
	13	Investments—program-related. See Part IV, line 11			2,851,246	13	2,453,101
	14	Intangible assets				14	
	15	Other assets. See Part IV, line 11			14,074,859	15	9,639,075
	16	Total assets. Add lines 1 through 15 (must equal line 34)			376,506,086	16	707,126,351
Liabilities	17	Accounts payable and accrued expenses			36,253,916	17	75,372,437
	18	Grants payable				18	
	19	Deferred revenue			2,396,315	19	2,363,652
	20	Tax-exempt bond liabilities			35,238,303	20	313,117,061
	21	Escrow or custodial account liability. Complete Part IV of Schedule D				21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L				22	
	23	Secured mortgages and notes payable to unrelated third parties			20,024,800	23	15,699,494
	24	Unsecured notes and loans payable to unrelated third parties				24	1,360,619
	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			43,707,870	25	60,811,901
	26	Total liabilities. Add lines 17 through 25			137,621,204	26	468,725,164
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			214,454,449	27	186,546,465
	28	Temporarily restricted net assets			8,593,135	28	36,528,611
	29	Permanently restricted net assets			15,837,298	29	15,326,111
	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			238,884,882	33	238,401,187
	34	Total liabilities and net assets/fund balances			376,506,086	34	707,126,351

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	434,895,891
2	Total expenses (must equal Part IX, column (A), line 25)	2	425,689,176
3	Revenue less expenses Subtract line 2 from line 1	3	9,206,715
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	238,884,882
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-9,690,410
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	238,401,187

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 checked="" type="checkbox"/> Consolidated basis <input 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?	Yes	
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	Yes	

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 MaineGeneral Health and Affiliates	Employer identification number 32-0265031
--	--

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 Se**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	(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	(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 MaineGeneral Health and Affiliates	Employer identification number 32-0265031
--	--

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?	Yes		
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		No	
j	Total lines 1c through 1i			37,857
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).		
a	Current year	2a	
b	Carryover from last year	2b	
c	Total	2c	
3	Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4	If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5	Taxable amount of lobbying and political expenditures (see instructions)	5	

Part IV

Supplemental Information

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

Identifier	Return Reference	Explanation
Explanation of Lobbying Activities	Part II-B, Line 1	MaineGeneral Health and Affiliates is a member of various healthcare related associations that do lobbying activities regarding legislation that has a direct impact on healthcare organizations. The healthcare associations have reported the percentage of association dues that were spent on lobbying activities.

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
MaineGeneral Health and Affiliates

Employer identification number
32-0265031

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

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

	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	67,498,904	47,265,328	27,928,069	32,392,351	
b Contributions	18,436,863	17,548,714	17,940,070	2,719,506	
c Investment earnings or losses	-152,687	3,703,471	3,496,146	-4,909,162	
d Grants or scholarships	500	14,925	15,000	15,610	
e Other expenditures for facilities and programs	788,118	1,003,615	2,083,957	2,259,016	
f Administrative expenses	0	0	0	0	
g End of year balance	84,994,462	67,498,973	47,265,328	27,928,069	

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶ 63 700 %

b

Permanent endowment ▶ 18 000 %

c

Term endowment ▶ 18 300 %

3a

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

(i) unrelated organizations

(ii) related organizations

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

b

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

3b

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		4,411,306		4,411,306
b Buildings		261,705,098	63,743,052	197,962,046
c Leasehold improvements		3,826,590	905,944	2,920,646
d Equipment		132,227,750	105,575,379	26,652,371
e Other		5,329,563	3,526,970	1,802,593
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶				233,748,962

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
2	Total expenses (Form 990, Part IX, column (A), line 25)	2
3	Excess or (deficit) for the year Subtract line 2 from line 1	3
4	Net unrealized gains (losses) on investments	4
5	Donated services and use of facilities	5
6	Investment expenses	6
7	Prior period adjustments	7
8	Other (Describe in Part XIV)	8
9	Total adjustments (net) Add lines 4 - 8	9
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10

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
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12	
a	Net unrealized gains on investments	2a
b	Donated services and use of facilities	2b
c	Recoveries of prior year grants	2c
d	Other (Describe in Part XIV)	2d
e	Add lines 2a through 2d	2e
3	Subtract line 2e from line 1	3
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1	
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a
b	Other (Describe in Part XIV)	4b
c	Add lines 4a and 4b	4c
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)	5

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

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
Description of Intended Use of Endowment Funds	Part V, Line 4	The intended uses for MaineGeneral Health and Affiliates' Endowments and Quasiendowments are as follows: Charity care at the Organization's hospitals and the Harold Alfond Cancer Center; Funding educational programs for the Organization's nurses and other employees; Funding capital expenditures, including a new hospital; Funding scholarships for individuals interested in careers in the healthcare profession.
Description of Uncertain Tax Positions Under FIN 48	Part X	All entities included in the consolidated financial statements have been determined to be tax-exempt organizations as described in Section 501(c)(3) of the Internal Revenue Code (the Code) and, accordingly, are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. Accordingly, no provision for income taxes has been recorded in the accompanying consolidated financial statements for these tax-exempt organizations. Tax-exempt organizations could be required to record an obligation for income taxes as the result of a tax position they have historically taken on various tax exposure items including unrelated business income or tax status. The Company has concluded no uncertain income tax positions exist at June 30, 2012. The Company's tax years from 2009 through 2012 are open and subject to examination.

SCHEDULE G
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding
Fundraising or Gaming Activities

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19,
or if the organization entered more than \$15,000 on Form 990-EZ, line 6a.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public
Inspection

Name of the organization
MaineGeneral Health and Affiliates

Employer identification number
32-0265031

Part I Fundraising Activities. Complete if the organization answered "Yes" to Form 990, Part IV, line 17.

1

Indicate whether the organization raised funds through any of the following activities. Check all that apply.

a

☐ Mail solicitations

b

☐ Internet and e-mail solicitations

c

☐ Phone solicitations

d

☐ In-person solicitations

e

☐ Solicitation of non-government grants

f

☐ Solicitation of government grants

g

☐ Special fundraising events

2a

Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services?

☐ Yes

☐ No

b

If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization. Form 990-EZ filers are not required to complete this table.

(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
Total ▶						

3

List all states in which the organization is registered or licensed to solicit funds or has been notified it is exempt from registration or licensing.

Part II Fundraising Events.

Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 on Form 990-EZ, line 6a. List events with gross receipts greater than \$5,000.

		(a) Event #1	(b) Event #2	(c) Other Events	(d) Total Events
		Walk for Hope (event type)	Auction to support Hospice Program (event type)	(total number)	(Add col (a) through col (c))
Revenue	1	Gross receipts	21,940	5,683	27,623
	2	Less Charitable contributions	20,000	0	20,000
	3	Gross income (line 1 minus line 2)	1,940	5,683	7,623
Direct Expenses	4	Cash prizes	0	0	
	5	Non-cash prizes	277	0	277
	6	Rent/facility costs	4,531	0	4,531
	7	Food and beverages	306	0	306
	8	Entertainment			
	9	Other direct expenses	19,283	0	19,283
	10	Direct expense summary Add lines 4 through 9 in column (d) ▶			
	11	Net income summary Combine lines 3 and 10 in column (d) ▶			

Part III Gaming.

Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (Add col (a) through col (c))
Revenue	1	Gross revenue		30,000	30,000
Direct Expenses	2	Cash prizes		10,000	10,000
	3	Non-cash prizes			
	4	Rent/facility costs			
	5	Other direct expenses			
	6	Volunteer labor	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes 100.000 % <input type="checkbox"/> No	
	7	Direct expense summary Add lines 2 through 5 in column (d) ▶			
	8	Net gaming income summary Combine lines 1 and 7 in column (d) ▶			

9 Enter the state(s) in which the organization operates gaming activities ME

a Is the organization licensed to operate gaming activities in each of these states? ☒ Yes ☐ No

b If "No," Explain

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? ☐ Yes ☒ No

b If "Yes," Explain

11

Does the organization operate gaming activities with nonmembers?

☐ Yes ☒ No

12

Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming?

☐ Yes ☒ No

13

Indicate the percentage of gaming activity operated in

a	The organization's facility	13a	100 000 %
b	An outside facility	13b	0 %

14 Provide the name and address of the person who prepares the organization's gaming/special events books and records

Name MaineGeneral Medical Center Auxiliary

Address 6 East Chestnut Street
Augusta, ME 04330

15a

Does the organization have a contract with a third party from whom the organization receives gaming revenue?

☐ Yes ☒ No

b If "Yes," enter the amount of gaming revenue received by the organization \$ and the amount of gaming revenue retained by the third party \$

c If "Yes," enter name and address

Name

Address

16 Gaming manager information

Name Sandy Small Hughes

Gaming manager compensation \$ 0

Description of services provided

☐ Director/officer ☒ Employee ☐ Independent contractor

17 Mandatory distributions

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license?

☐ Yes ☒ No

b Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year \$

Part IV Complete this part to provide additional information for responses to question on Schedule G (see instructions.)

Identifier	ReturnReference	Explanation
------------	-----------------	-------------

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
MaineGeneral Health and Affiliates

Employer identification number
32-0265031

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 type="checkbox"/> 150% <input type="checkbox"/> 200% <input checked="" type="checkbox"/> Other <u>175.000000000000 %</u> 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 type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input checked="" type="checkbox"/> Other <u>225.000000000000 %</u>	3a	Yes	
		3b	Yes	
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"?	4	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		No
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?	5c		
6a	Did the organization prepare a community benefit report during the tax year?	6a	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 Chanty care at cost (from Worksheet 1)			13,339,470	404,639	12,934,831	3 210 %
b Medicaid (from Worksheet 3, column a)			79,069,899	67,920,118	11,149,781	2 770 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total Charity Care and Means-Tested Government Programs			92,409,369	68,324,757	24,084,612	5 980 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			1,159,719	481,920	677,799	0 170 %
f Health professions education (from Worksheet 5)			1,615,807	11,940	1,603,867	0 400 %
g Subsidized health services (from Worksheet 6)			9,628,457	5,556,331	4,072,126	1 010 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)						
j Total Other Benefits			12,403,983	6,050,191	6,353,792	1 580 %
k Total. Add lines 7d and 7j			104,813,352	74,374,948	30,438,404	7 560 %

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	540	19,258	1,298,301	2,019	1,296,282	0 320 %
8Workforce development						
9Other						
10Total	540	19,258	1,298,301	2,019	1,296,282	0 320 %

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

		Yes	No
1Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?	1		
2Enter the amount of the organization's bad debt expense	2	10,468,323	
3Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy	3	0	
4Provide 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

5Enter total revenue received from Medicare (including DSH and IME)	5	154,199,672	
6Enter Medicare allowable costs of care relating to payments on line 5	6	169,602,329	
7Subtract line 6 from line 5 This is the surplus or (shortfall)	7	-15,402,657	
8Describe 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

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

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 %
11 Augusta Mobile MRI Owners LLC	MRI imaging services at the Augusta Hospital facility	50 000 %	0 %	50 000 %
22 Waterville Mobile MRI Owners LLC	MRI imaging services at the Waterville Hospital facility	50 000 %	0 %	50 000 %
33 MaineGeneral Cardiac Catheterization Lab LLC	Cardiac catheterization services at the Augusta Hospital facility	50 000 %	0 %	50 000 %
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				

Section A. Hospital Facilities

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

Name and address

Schedule H (Form 990) 2011

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.)

MaineGeneral Medical Center

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 type="checkbox"/> A definition of the community served by the hospital facility b <input type="checkbox"/> Demographics of the community c <input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community d <input type="checkbox"/> How data was obtained e <input type="checkbox"/> The health needs of the community f <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups g <input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet those needs h <input type="checkbox"/> The process for consulting with persons representing the community's interests i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs j <input type="checkbox"/> Other (describe in Part VI)	1	
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	
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	
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 type="checkbox"/> Hospital facility's website b <input type="checkbox"/> Available upon request from the hospital facility c <input type="checkbox"/> Other (describe in Part VI)	5	
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply) a <input type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community b <input type="checkbox"/> Execution of the implementation strategy c <input type="checkbox"/> Development of a community-wide community benefit plan for the facility d <input type="checkbox"/> Participation in community-wide community benefit plan e <input type="checkbox"/> Inclusion of a community benefit section in operational plans f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA g <input type="checkbox"/> Prioritization of health needs in the community h <input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted 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	
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 175 0000000000000% 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>225 000000000000%</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 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 checked="" 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 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 e <input type="checkbox"/> Other similar actions (describe in Part VI)	16	Yes	
17	Indicate which efforts the hospital facility made before initiating any of the actions checked in question 16 (check all that apply) a <input checked="" type="checkbox"/> Notified patients of the financial assistance policy upon admission b <input checked="" 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 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		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 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? 3

Name and address		Type of Facility (Describe)
1	MaineGeneral Rehabilitation & Nursing 37 Graybirch Drive Augusta, ME 04330	Long-term care and residential care facility
2	MaineGeneral Retirement Community 60 Balsam Drive Ste 1 Hallowell, ME 04347	Retirement community
3	HealthReach Network 10 Water Street Waterville, ME 04901	Homecare, hospice, behavioral health and substance abuse facilities
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, 6l, 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
		Part I, Line 7 Charity care is measured based on services provided at established rates, and is included in net patient service revenues Costs and expenses incurred in providing these services are included in operating expenses Charges for services rendered to individuals from whom payment is expected and ultimately not received are written off and included as an operating expense as part of the provision for bad debts The organization's Bad Debt expense cost is calculated using a ratio of total patient related expense over gross charges This is applied to total provision for bad debts, which is recorded at gross charges

Identifier	ReturnReference	Explanation
		Part I, Line 7, Column (f) The Bad Debt expense included on Form 990, Part IX, Line 25, Column (A), but subtracted for purposes of calculating the percentage in this column is \$ 23071362

Identifier	ReturnReference	Explanation
		Part II MaineGeneral Health and Affiliates offers a variety of classes and community health outreach events to support and build our community Such events range from cancer survivor classes and support groups, breastfeeding classes, sibling classes, a safe babysitter program and parenting education The organization provides a wide range of programs to support a healthy and well educated community throughout all ages and health care situations The organization offers diabetes care and smoking cessation classes, along with support groups for area individuals with a variety of health problems including Alzheimer's disease, bariatric surgery needs, brain injury, stroke and hospice Space is provided free of charge and in some cases the support groups are managed and staffed by MaineGeneral employees

Identifier	ReturnReference	Explanation
		Part III, Line 4 Charges for services rendered to individuals from whom payment is expected and ultimately not received are written off and included as an operating expense as part of the provision for bad debts The organization's bad debt expense is calculated using a ratio of total expenses over gross charges This is applied to total provision for bad debts which is recorded at gross charges

Identifier	ReturnReference	Explanation
		Part III, Line 8 The shortfall above reflects the amount of unreimbursed cost the organization funded to benefit the health of the community The organization's Medicare allowable cost of care is calculated using a ratio of total expenses over gross charges This is applied to total expenses and adjusted by actual Medicare payor mix percentage

Identifier	ReturnReference	Explanation
		Part III, Line 9b In accordance with the Affordable Care Act and the IRS 990 rules, individuals, once identified as eligible for the Organization's uncompensated care program, will be billed no more than the amount generally billed i e the best, or an average of the three best, negotiated commercial rates or Medicare rates for emergency and other medically necessary services

Identifier	ReturnReference	Explanation
MaineGeneral Medical Center		Part V, Section B, Line 19d MaineGeneral Medical Center charges the same gross charge rates for all services provided, regardless of payment source. If patients are uninsured we will make every effort to assist them in filling out the paperwork for qualification to the MaineCare system. If they do not qualify for MaineCare we will help them to apply for our charity care program. If they do not qualify for either MaineCare or charity care we do provide payment plans to pay over time and discounts for complete payment of their bill.

Identifier	ReturnReference	Explanation
		Part VI, Line 2 OneMaine Health, a collaboration between Eastern Maine Healthcare Systems, MaineGeneral Health and MaineHealth, released Maine's first comprehensive, statewide community health needs assessment in April 2011. The community health needs assessment examined health status, use of health services, access and barriers to care and other factors affecting the health of Maine people. MaineGeneral Health and Affiliates has used the community health needs assessment to support the need for continuing initiatives that it has provided over the past several years in specific healthcare areas and has, as necessary, expanded its focus to other areas of community health need.

Identifier	ReturnReference	Explanation
		Part VI, Line 3 For inpatient stays, the Medical Center Patient Registration Department provides a written notice regarding the availability of the uncompensated services program to inpatients upon admission or, in the case of an emergency, before discharge In those rare cases where the notice was not given to the patient at admission or upon discharge due to unavoidable circumstances, a charity care notice was sent with the initial patient bill All outpatient departments including provider based practices provide patients access to the written notice of the availability of the uncompensated services program at the time of service Initial patient bills include a notification to patients on the availability of the uncompensated services program Subsequent patient billings also include notices to patients about the availability of the program During this process, if it appears that a patient is qualified for the government programs, the program application is provided to the patient and a patient financial services representative provides any assistance required in educating the patient on properly preparing the application Current income guidelines are displayed in all business offices, main patient registration areas and emergency departments The posted guidelines are updated annually based on changes in the federal poverty guidelines The Hospital makes all reasonable efforts to communicate the contents of the income guidelines to persons that it has reason to believe cannot read the notice

Identifier	ReturnReference	Explanation
		Part VI, Line 4 The Medical Center's primary service area includes Kennebec County, with Augusta and Waterville making up the largest portion of the population The service area also includes parts of Waldo, Lincoln, Somerset and Sagadahoc counties 86% of residents have a family physician 16% of the population is self-insured or uninsured 15% of the population is over 65 and 21% of the population is under 18

Identifier	ReturnReference	Explanation
		Part VI, Line 5 MaineGeneral Health and Affiliates supports the health of the community by being involved with several of the non-profit organizations in the area Several of our staff serve on the board of directors of these organizations, as well as volunteer their time in other capacities for local non-profit organizations Our staff also commit their time to serving in several health care leadership organizations They provide their knowledge and experience to promote higher quality health care throughout our community

Identifier	ReturnReference	Explanation
		Part VI, Line 6 MaineGeneral Health and Affiliates includes MaineGeneral Medical Center, which provides a wide variety of hospital, primary care, specialty care and emergency care services to the community HealthReach Network, which provides homecare, hospice, behavioral health and substance abuse services MaineGeneral Rehabilitation and Nursing Care, which provides long term, skilled nursing and residential care services It also provides Alzheimer's residential care and Alzheimer's day care services MaineGeneral Retirement Community, which provides independent and assisted living services, as well as an Alzheimer's care unit All of the affiliates provide care regardless of an individual's ability to pay

Identifier	ReturnReference	Explanation
Reports Filed With States	Part VI, Line 7	ME

Schedule I
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
MaineGeneral Health and Affiliates

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

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

OMB No 1545-0047

2011

Open to Public
Inspection

Employer identification number

32-0265031

Part I

General Information on Grants and Assistance

- 1

Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?

☒ Yes

☐ No
- 2

Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part II

Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21 for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Use Part IV and Schedule I-1 (Form 990) if additional space is needed ▶ ☐

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

2

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

3

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

Part III

Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 22.
Use Schedule I-1 (Form 990) if additional space is needed.

(a)Type of grant or assistance	(b)Number of recipients	(c)Amount of cash grant	(d)Amount of non-cash assistance	(e)Method of valuation (book, FMV, appraisal, other)	(f)Description of non-cash assistance
(1) Educational Scholarships	3	5,755	0		

Part IV

Supplemental Information. Complete this part to provide the information required in Part I, line 2, and any other additional information.

Identifier	Return Reference	Explanation
Procedure for Monitoring Grants in the U S	Part I, Line 2	Schedule I, Part I, Line 2 MaineGeneral Health offers several different types of scholarships, which are awarded based on requirements established by the donors funding the scholarships Any individual in MaineGeneral Health's service area may apply for a scholarship by completing a required application, including school transcripts, a statement of need, financial disclosures, and other information The majority of these scholarships are offered to students pursuing a career in nursing or another healthcare related field of study Before scholarship funds are disbursed to a student, the student must provide documented evidence of the successful completion of the required coursework at the end of each term MaineGeneral Health retains complete files for each scholarship award as substantiation of the amount of scholarship funding for each individual

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
MaineGeneral Health and Affiliates

Employer identification number
32-0265031

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"/> Housing allowance or residence for personal use</div></div> <div><div><input type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Payments for business use of personal residence</div></div> <div><div><input checked="" type="checkbox"/> Tax idemnification and gross-up payments</div><div><input type="checkbox"/> Health or social club dues or initiation fees</div></div> <div><div><input type="checkbox"/> Discretionary spending account</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 checked="" type="checkbox"/> Compensation committee</div><div><input type="checkbox"/> Written employment contract</div></div> <div><div><input checked="" type="checkbox"/> Independent compensation consultant</div><div><input checked="" type="checkbox"/> Compensation survey or study</div></div> <div><div><input type="checkbox"/> Form 990 of other organizations</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) Douglas Boyink MD	(i)	244,739	19,020	2,658	20,137	8,618	295,172	0
	(ii)	0	0	0	0	0	0	0
(2) Scott Bullock	(i)	0	0	0	0	0	0	0
	(ii)	457,537	25,000	119,430	202,970	20,957	825,894	0
(3) Charles Hays	(i)	0	0	0	0	0	0	0
	(ii)	306,513	0	5,690	13,475	3,399	329,077	0
(4) Nona Boyink	(i)	173,400	0	9,496	9,128	16,127	208,151	0
	(ii)	0	0	0	0	0	0	0
(5) Thomas Keating MD	(i)	195,759	0	820	10,767	20,919	228,265	0
	(ii)	0	0	0	0	0	0	0
(6) Reynerio Sepe Lanoy MD	(i)	199,608	18,333	4,081	7,409	22,680	252,111	0
	(ii)	0	0	0	0	0	0	0
(7) Rebecca Colwell	(i)	129,009	0	619	6,996	15,128	151,752	0
	(ii)	0	0	0	0	0	0	0
(8) Michael Koziol	(i)	0	0	0	0	0	0	0
	(ii)	281,997	0	1,200	10,625	8,482	302,304	0
(9) Anthony Mancini MD	(i)	270,400	702,690	610	15,473	29,590	1,018,763	0
	(ii)	0	0	0	0	0	0	0
(10) Jose Ramirez MD	(i)	300,019	331,910	1,295	16,797	22,650	672,671	0
	(ii)	0	0	0	0	0	0	0
(11) Marc Golden MD	(i)	400,005	210,305	897	17,434	21,543	650,184	0
	(ii)	0	0	0	0	0	0	0
(12) Bruce Gomberg MD	(i)	434,054	161,060	11,908	18,512	19,063	644,597	0
	(ii)	0	0	0	0	0	0	0
(13) John Thaller MD	(i)	359,258	142,843	13,200	19,231	19,964	554,496	0
	(ii)	0	0	0	0	0	0	0
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

Part III **Supplemental 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
	Part I, Line 1a	Tax Gross-up Payments: Nona Boyink \$9,496. Treated as taxable compensation. Rebecca Colwell 619. Treated as taxable compensation.
	Part I, Line 7	A portion of compensation is at risk and variable and is based on the quality of job performance.

Schedule K
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
MaineGeneral Health and Affiliates

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
32-0265031

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 Maine Health and Higher Education Facilities Authority	01-0314384	560425PZ7	10-16-2003	36,540,048	Refinance 1993 Maine Health and Higher Education Facilities Authority Bonds		X		X		X
B Maine Health and Higher Education Facilities Authority	01-0314384	560425XD7	02-02-2006	53,803,882	Build Cancer Center and renovate emergency rooms in Augusta and Waterville		X		X		X
C Maine Health and Higher Education Facilities Authority	01-0314384	560425V72	08-11-2011	280,812,878	Build a New Regional Hospital in North Augusta		X		X		X

Part II Proceeds

		A		B		C		D	
1	Amount of bonds retired								
2	Amount of bonds defeased								
3	Total proceeds of issue	7,798,275		44,329,813		280,812,878			
4	Gross proceeds in reserve funds	763,994		5,703,670		58,300,712			
5	Capitalized interest from proceeds					47,284,409			
6	Proceeds in refunding escrow	7,902,567							
7	Issuance costs from proceeds	122,678		274,637					
8	Credit enhancement from proceeds								
9	Working capital expenditures from proceeds			3,094,733					
10	Capital expenditures from proceeds			35,021,485		82,018,584			
11	Other spent proceeds								
12	Other unspent proceeds					136,287,845			
13	Year of substantial completion	2008							
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?		X		X		X		
15	Were the bonds issued as part of an advance refunding issue?	X			X		X		
16	Has the final allocation of proceeds been made?		X		X		X		
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	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		
2	Are there any lease arrangements that may result in private business use of bond-financed property?		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		
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		
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	0 %		0 260 %					
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	2 470 %							
6	Total of lines 4 and 5	2 470 %		0 260 %					
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	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		
2	Is the bond issue a variable rate issue?		X		X		X		
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?		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			
b	Name of provider	FSA		FSA		Natixis			
c	Term of GIC	7012023 0000000000000		7012035 0000000000000		7012041 0000000000000			
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?		X		X		X		
5	Were any gross proceeds invested beyond an available temporary period?		X		X		X		
6	Did the bond issue qualify for an exception to rebate?		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
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Schedule L
(Form 990 or 990-EZ)

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

OMB No 1545-0047
2011
Open to Public Inspection

Name of the organization
MaineGeneral Health and Affiliates

Employer identification number

32-0265031

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) Waterville Pediatrics	Professional Corporation with over 5% interest owned by Charles Danielson	229,570	Payment for professional services		No
(2) Michelle Ayotte	Employee of the Organization and daughter of Conrad Ayotte	13,274	Employee compensation		No
(3) Megan Gasbarrone	Employee of the Organization and daughter of William Sprague	39,847	Employee compensation		No
(4) H Winston Kipp	Employee of the Organization and husband of Christine Kipp	74,850	Employee compensation		No
(5) Charles Calkins	Employee of the Organization and husband of Stephanie Calkins	17,766	Employee compensation		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
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SCHEDULE M
(Form 990)

Department of the Treasury
Internal Revenue Service

NonCash Contributions

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
MaineGeneral Health and Affiliates

Employer identification number
32-0265031

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	20	64,255	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	X	1	166,614	Sales Price
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				
Power Wheel				
25 Other ► (Chair)	X	1	1,700	Fair Market Value
26 Other ► (Computer)	X	1	1,500	Fair Market Value
Lingraphica Speech				
27 Other ► (Device)	X	1	5,050	fair Market Value
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	1
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				
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
Third Party Use	Part I, Line 32b	MaineGeneral Health and Affiliates uses two investment brokers to receive and sell all stock gifts as soon as practicable

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
MaineGeneral Health and Affiliates**Employer identification number**

32-0265031

Identifier	Return Reference	Explanation
Doing Business As	Form 990, Part I, Item C	DBA MaineGeneral Ear, Nose & Throat DBA MaineGeneral Employee Assistance Program DBA MaineGeneral Express Care DBA MaineGeneral Gastroenterology DBA MaineGeneral Health Plan Pharmacy DBA MaineGeneral Inpatient Detoxification DBA MaineGeneral Inpatient Psychiatric Treatment DBA MaineGeneral Intensive Outpatient Treatment DBA MaineGeneral Neurology DBA MaineGeneral Obstetrics and Gynecology DBA MaineGeneral Outpatient Psychiatry DBA MaineGeneral Residential Services DBA MaineGeneral Surgery DBA MaineGeneral Rehabilitation & Nursing Care at Graybitch DBA MaineGeneral Rehabilitation & Nursing Care at Glenridge DBA MaineGeneral Thoracic & Vascular Surgery DBA MaineGeneral Vascular & General Surgery DBA HealthReach Hospice DBA HealthReach Homecare DBA HealthReach Retired and Senior Volunteer Program DBA HealthReach Harm Reduction Program DBA Women, Infants and Children Nutrition Program DBA MaineGeneral Assertive Community Treatment DBA MaineGeneral Allergy & Asthma DBA MaineGeneral Hearing Evaluations & Hearing Aids DBA MaineGeneral Incontinence Program DBA MaineGeneral Kidney Care DBA MaineGeneral Midwifery Services DBA MaineGeneral Occupational Therapy DBA MaineGeneral Physical Therapy DBA MaineGeneral Speech Therapy DBA MaineGeneral Sports Medicine DBA MaineGeneral Counseling Services

Identifier	Return Reference	Explanation
Description of Organization Mission	Form 990, Part I, Line 1	MaineGeneral Health and Affiliate's mission is to enhance, every day, the health of the people of the greater Kennebec Valley region. Management follows this mission with a forward-looking vision of focusing on clinical excellence, customer satisfaction, financial stability and positively impacting the health of the community.

Identifier	Return Reference	Explanation
Briefly Describe the Organization's Mission	Form 990, Part III, Line 1	MaineGeneral Health and Affiliate's mission is to enhance, every day, the health of the people of the greater Kennebec Valley region. Management follows this mission with a forward-looking vision of focusing on clinical excellence, customer satisfaction, financial stability and positively impacting the health of the community.

Identifier	Return Reference	Explanation
Description Program Service Accomplishment	Form 990, Part III, Line 4a	<p>MaineGeneral Medical Center is a non-profit acute care hospital with facilities in both Augusta and Waterville, Maine, that provides comprehensive healthcare services to the community, regardless of a patient's ability to pay. Both campuses provide emergency and critical care, a full range of inpatient and outpatient surgical services, substance abuse and mental health services, cancer care, maternal, new born and child health services and inpatient and outpatient diagnostic services. In addition, the Jackman Region Health Center, in Northern Somerset County, which is a part of MaineGeneral Medical Center, provides physician office services and an 18-bed nursing home. During the fiscal year ending June 30, 2012, MaineGeneral Medical Center provided care for 11,194 inpatients, 4,416 inpatient and 25,125 outpatient surgeries, 914 births, 64,409 oncology procedures, 808,549 laboratory procedures, 139,144 diagnostic imaging procedures, and 98,857 emergency procedures. MaineGeneral Medical Center also provides physician care services through hospital based physician practices throughout Kennebec County. These physician practices include primary care as well as a wide variety of specialty services. During fiscal year 2012 the MaineGeneral Physician Practices provided 64,666 adult primary care visits, 28,145 pediatric primary care visits, 9,403 express care visits and 90,632 visits for various specialty care practices.</p>

Identifier	Return Reference	Explanation
Description of Program Service Accomplishment	Form 990, Part III, Line 4b	HealthReach Network operates a homecare and hospice program throughout the Kennebec Valley and surrounding areas. During the fiscal year ending June 30, 2012, HealthReach Network provided 66,945 days of homecare services and 40,249 days of hospice care. The company also provides several community support programs for mental health and substance abuse treatment. HealthReach provided 8,086 service hours of outpatient counseling, 5,774 days of service through the men's and women's residential care programs, and 6,999 visits through the ACT program during the fiscal year ending June 30, 2012.

Identifier	Return Reference	Explanation
Description of Program Service Accomplishment	Form 990, Part III, Line 4c	<p>MaineGeneral Rehabilitation and Nursing Care provides long-term care, assisted living, respite and day care services to the community, regardless of an individual's ability to pay. Graybitch and Glenridge nursing facilities in Augusta, Maine provided 83,298 days of skilled and residential care services to residents requiring long-term care services during the fiscal year ending June 30, 2012. The Alzheimer's Care Center in Gardiner, Maine provides residential care, respite, and day care services to residents with memory loss. The center provided 10,912 days of residential care services and 10,992 hours of service in the day care program during the fiscal year ending June 30, 2012. In addition, MaineGeneral Rehabilitation operates an early learning center that provides child care services to employees' children and provides assisted living services to residents living at the Inn at City Hall in Augusta, Maine.</p>

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section A, line 2	Douglas Boyink and Nona Boyink have a family relationship

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section B, line 11	<p>All Forms 990 and related attachments were reviewed by appropriate members of senior management, the Finance Committee, and the Board of Directors before the filings were sent to the Internal Revenue Service. Final drafts of Forms 990 were available thirty days prior to the filing deadline in order to be formally reviewed by the Senior Vice President and Chief Financial Officer, the Compliance Officer, the entire senior management team, the Finance Committee, and the Board of Directors. Forms 990 and related attachments were provided to and reviewed by the Finance Committee in March 2013 and by the Board of Directors in April 2013. In addition, both the Finance Committee and Board were provided formal education on the contents and layouts of Forms 990 and of organizational policies and procedures related to Form 990.</p>

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section B, line 12c	<p>MaineGeneral Health and Affiliates' Conflict of Interest Policy requires disclosure of any actual or potential conflict of interest to the Board Chair. Interested persons are prohibited from participating in the governing body's deliberations and decisions regarding any transactions when they have a conflict of interest. If the Board or Committee has reasonable cause to believe that a member has failed to disclose actual or possible conflicts of interest, the Board or Committee shall investigate and then determine by a majority vote whether a conflict of interest exists and whether the violation is grounds for removal from the Board or Committee. There are formal records of these proceedings. In addition, each director, officer, and member of the Board is required to annually complete and sign a Conflict of Interest Disclosure Statement. Employees must disclose in writing to their supervisors any conflicts of interest prior to engaging in transactions or taking positions with MaineGeneral Health and Affiliates. In addition, these disclosures must be approved by the supervisor's manager or, as applicable, the Board Chair, in conjunction with the Human Resources Compliance Officer. If management has reasonable cause to believe that an employee has intentionally failed to disclose a conflict of interest, appropriate disciplinary or corrective action up to and including termination shall be taken. In addition, upon hire or promotion to a management position, all management employees shall complete a Conflict of Interest Disclosure Statement, which will be submitted to the Ethics and Compliance Department for review and reporting to the Chief Compliance Officer, who will record and report each validated conflict of interest to the Board.</p>

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section B, line 15	<p>The Board of Directors is responsible for determining the compensation package for the Chief Executive Officer. An independent compensation consultant advises the Board, using comparability data, expert compensation studies and other means. Paid executives who hold voting privileges may not vote or participate in discussions regarding their compensation. However, they may answer questions that will help the Board in its deliberations. For other officer and key employee positions, salary structures are developed and maintained based on national compensation data for healthcare organizations. The Chief Executive Officer's compensation was last reviewed in 2009 and will be reviewed again in November of 2012.</p>

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section C, line 19	MaineGeneral Health and Affiliates makes its governing documents, conflict of interest policy and financial statements, whether or not audited, available to the general public by use of the organization's website and providing copies immediately upon request. In addition, the Controller distributes financial statements and budgets on a quarterly and annual basis to designated third parties.

Identifier	Return Reference	Explanation
Changes in Net Assets or Fund Balances	Form 990, Part XI, line 5	Net unrealized losses on investments -8425300 Additional pension liability -18144407 Change in pledged donation balance 16879297 Total to Form 990, Part XI, Line 5 -9690410

Identifier	Return Reference	Explanation
	Form 990, Part XI, Line 2C	Change in oversight or selection process during the tax year MaineGeneral Health and Affiliates did not change its oversight process or selection process during the tax year

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
MaineGeneral Health and Affiliates

Employer identification number
32-0265031

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) MaineGeneral Health 6 East Chestnut Street Augusta, ME 04330 04-3369649	Provider of management support service to non-profit healthcare subsidiaries	ME	501(c)(3)	Line 11b, II	N/A		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) Disproportionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	

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

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

No

1b

No

1c

Yes

1d

No

1e

Yes

1f

No

1g

No

1h

No

1i

No

1j

Yes

1k

No

1l

Yes

1m

No

1n

Yes

1o

Yes

1p

No

1q

No

1r

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

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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**MaineGeneral Health
and Subsidiaries**

Audited Consolidated Financial Statements
and Additional Information

*Years Ended June 30, 2012 and 2011
With Independent Auditors' Report*

MAINEGENERAL HEALTH AND SUBSIDIARIES

Audited Consolidated Financial Statements and Additional Information

Years Ended June 30, 2012 and 2011

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BAKER | NEWMAN | NOYES

INDEPENDENT AUDITORS' REPORT

The Board of Trustees
MaineGeneral Health and Subsidiaries

We have audited the accompanying consolidated balance sheet of MaineGeneral Health and Subsidiaries (the Company) as of June 30, 2012, and the related consolidated statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. The consolidated financial statements of the Company for the year ended June 30, 2011 were audited by other auditors, whose report, dated September 30, 2011, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit 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 audit provides a reasonable basis for our opinion.

In our opinion, the 2012 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of MaineGeneral Health and Subsidiaries as of June 30, 2012, and the consolidated results of their operations, changes in their net assets and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.



Portland, Maine
September 28, 2012

Limited Liability Company

MAINEGENERAL HEALTH AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

June 30, 2012 and 2011

ASSETS

	<u>2012</u>	<u>2011</u>
Current assets:		
Cash and cash equivalents	\$ 19,592,935	\$ 18,905,669
Investments	2,643,295	9,287,119
Patient accounts receivable, net of allowance for doubtful accounts of approximately \$30,109,000 in 2012 and \$25,322,000 in 2011	41,569,106	38,825,342
Supplies	4,005,167	4,694,903
Pledges receivable, net of allowance	9,555,455	1,271,619
Estimated third-party payor settlements	—	13,124,339
Prepaid expenses and other current assets	<u>8,454,672</u>	<u>7,157,785</u>
Total current assets	85,820,630	93,266,776
Investments:		
Unrestricted	28,905,956	47,633,371
Assets whose use is limited or restricted:		
Board-designated:		
Funded depreciation	1,637,535	1,667,915
New hospital	47,313,334	40,337,211
Other	12,169,556	12,430,844
Assets held in trust under debt agreements	211,687,196	3,636,810
Beneficial interest in perpetual trusts	9,951,744	10,485,943
Permanently donor-restricted	5,906,254	5,880,734
Temporarily donor-restricted	<u>15,720,243</u>	<u>4,676,425</u>
	333,291,818	126,749,253
Beneficial interest in workers' compensation trust	<u>2,189,490</u>	<u>2,541,175</u>
Total investments and assets whose use is limited or restricted	335,481,308	129,290,428
Pledges receivable, net of current portion	11,418,315	2,822,981
Estimated third-party payor settlements – due from State of Maine	38,000,000	—
Property and equipment	234,026,756	158,469,548
Assets available for sale	3,048,001	—
Other assets, net	<u>8,443,790</u>	<u>3,261,791</u>
Total assets	\$ <u>716,238,800</u>	\$ <u>387,111,524</u>

LIABILITIES AND NET ASSETS

	<u>2012</u>	<u>2011</u>
Current liabilities:		
Line of credit	\$ 938,020	\$ 1,598,020
Accounts payable and accrued expenses	28,312,168	12,626,294
Accrued employee compensation and compensated absences	23,130,732	21,330,870
Estimated third-party payor settlements	10,274,108	—
Other current liabilities	20,826,368	8,533,999
Current portion of long-term debt	<u>5,611,197</u>	<u>5,058,205</u>
Total current liabilities	89,092,593	49,147,388
Long-term debt, less current portion	323,653,988	48,023,483
Accrued pension cost	43,027,921	27,637,455
Deferred refundable and nonrefundable advance fees	13,159,998	13,958,158
Other long-term liabilities	<u>3,765,038</u>	<u>2,807,145</u>
Total liabilities	472,699,538	141,573,629
Commitments and contingencies		
Net assets:		
Unrestricted	190,987,251	220,400,193
Temporarily restricted	36,694,013	8,771,025
Permanently restricted	<u>15,857,998</u>	<u>16,366,677</u>
Total net assets	243,539,262	245,537,895
Total liabilities and net assets	<u>\$ 716,238,800</u>	<u>\$ 387,111,524</u>

See accompanying notes.

MAINEGENERAL HEALTH AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

Years Ended June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Operating revenue:		
Net patient service revenue	\$ 414,038,600	\$ 395,281,462
Other revenue	25,498,430	25,848,290
Net assets released from restrictions used for operations	<u>788,537</u>	<u>519,906</u>
Total operating revenue	440,325,567	421,649,658
Operating expenses:		
Salaries and wages	188,641,718	180,130,714
Employee benefits	48,091,979	45,126,532
Supplies and other	144,138,253	138,548,216
Provision for bad debts	23,071,362	17,747,203
Depreciation and amortization	19,869,360	22,083,891
Interest	<u>1,823,308</u>	<u>2,387,569</u>
Total operating expenses	<u>425,635,980</u>	<u>406,024,125</u>
Income from operations	14,689,587	15,625,533
Nonoperating gains (losses):		
Investment income	1,156,830	2,160,656
Realized gains on investments, net	5,481,884	2,646,312
Loss on disposal of property and equipment, net	(117,262)	(103,857)
Contributions	372,892	439,027
Loss on assets available for sale	(23,749,966)	—
Loss on early extinguishment of debt	<u>—</u>	<u>(404,930)</u>
Total nonoperating gains (losses), net	<u>(16,855,622)</u>	<u>4,737,208</u>
(Deficiency) excess of revenue over expenses	(2,166,035)	20,362,741
Change in net unrealized gains (losses) on investments	(7,726,341)	8,688,629
Pension-related changes other than net periodic pension cost	(19,564,244)	10,325,557
Net assets released from restrictions used for capital acquisitions	<u>43,678</u>	<u>540,126</u>
(Decrease) increase in unrestricted net assets	<u>\$ (29,412,942)</u>	<u>\$ 39,917,053</u>

See accompanying notes.

MAINEGENERAL HEALTH AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

Years Ended June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Unrestricted net assets:		
(Deficiency) excess of revenue over expenses	\$ (2,166,035)	\$ 20,362,741
Change in net unrealized gains (losses) on investments	(7,726,341)	8,688,629
Pension-related changes other than net periodic pension cost	(19,564,244)	10,325,557
Net assets released from restrictions used for capital acquisitions	<u>43,678</u>	<u>540,126</u>
(Decrease) increase in unrestricted net assets	(29,412,942)	39,917,053
Temporarily restricted net assets:		
Contributions	28,622,950	5,086,912
Investment income	207,372	269,459
Realized gains on investments, net	790,017	336,254
Change in net unrealized gains (losses) on investments	(865,136)	264,993
Net assets released from restrictions	<u>(832,215)</u>	<u>(1,060,032)</u>
Increase in temporarily restricted net assets	27,922,988	4,897,586
Permanently restricted net assets:		
Contributions	24,200	5,466
Change in market value of perpetual trusts	(534,199)	1,301,630
Change in net unrealized gains (losses) on investments	(35,088)	7,291
Realized gains on investments, net	<u>36,408</u>	<u>8,807</u>
(Decrease) increase in permanently restricted net assets	<u>(508,679)</u>	<u>1,323,194</u>
(Decrease) increase in net assets	(1,998,633)	46,137,833
Net assets, beginning of year	<u>245,537,895</u>	<u>199,400,062</u>
Net assets, end of year	<u>\$243,539,262</u>	<u>\$ 245,537,895</u>

See accompanying notes.

MAINEGENERAL HEALTH AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Cash flows from financing activities		
Payments on long-term debt and line of credit, net	\$ (5,647,009)	\$ (24,971,022)
Proceeds from issuance of long-term debt	280,812,878	17,258,450
Bond issuance costs	(5,184,655)	—
Advance fees received	1,633,000	1,842,000
Refunds of advance fees	(1,488,253)	(1,689,736)
Restricted contributions	<u>11,767,980</u>	<u>1,485,682</u>
Net cash provided (used) by financing activities	<u>281,893,941</u>	<u>(6,074,626)</u>
Increase (decrease) in cash and cash equivalents	687,266	(3,448,034)
Cash and cash equivalents, beginning of year	<u>18,905,669</u>	<u>22,353,703</u>
Cash and cash equivalents, end of year	\$ <u>19,592,935</u>	\$ <u>18,905,669</u>
Supplemental disclosure.		
Cash paid for interest (interest of approximately \$17 million was capitalized as part of the construction project of which approximately \$10 million was accrued as of June 30, 2012)	\$ <u>9,258,447</u>	\$ <u>2,891,627</u>
Supplemental disclosure of noncash activities:		
Construction amounts remaining in accounts payable	\$ 21,548,118	\$ 1,436,346
Equipment acquired through capital lease	451,751	—
Contributed securities	65,355	321,096

See accompanying notes.

MAINEGENERAL HEALTH AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended June 30, 2012 and 2011

1. Corporate Organization

MaineGeneral Health (MGH) is a nonprofit corporation which operates an acute care hospital, home care and community mental health services, long-term care facilities, physician practices, and senior housing through its subsidiaries. Significant subsidiaries include MaineGeneral Medical Center (the Medical Center), HealthReach Network (HRN), MaineGeneral Rehabilitation and Nursing Care (MGRNC), MaineGeneral Health Associates (MGHA), and MaineGeneral Retirement Community (MGRC)

As of June 30, 2011 all MGHA physician practices were transferred to the Medical Center as part of the conversion to provider-based outpatient clinics and, in August 2012, MGH's Board of Directors voted to dissolve MGHA.

On July 1, 2012, Kennebec Risk, LLC (the Captive) began operations as a subsidiary of the Medical Center. The purpose of the Captive is to engage in the business of insuring various types of risks as a captive insurance company licensed in the State of Vermont. The Medical Center provided an equity contribution in the amount of \$250,000 to partially capitalize the Captive. In July 2012, MGH secured a standby letter of credit with an approved amount of \$1,250,000 for additional capitalization of the Captive.

2. Summary of Significant Accounting Policies

General

The accompanying consolidated financial statements include the accounts of MGH and its subsidiaries (collectively, the Company)

Principles of Consolidation

Upon consolidation, significant intercompany accounts and transactions have been eliminated

Basis of Presentation

The consolidated financial statements have been presented in conformity with accounting principles generally accepted in the United States of America (GAAP). For purposes of display, transactions deemed by management to be ongoing and central to the provision of health care services are reported as operating revenue and operating expenses. Peripheral or incidental transactions are reported as nonoperating gains and losses.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates are made in the areas of collectability of accounts receivable, contractual allowances, estimated settlements with third-party payors, self-insurance reserves, underlying assumptions used for the actuarial computations for the defined benefit pension plan, fair value of assets available for sale and conditional asset retirement obligations.

MAINEGENERAL HEALTH AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended June 30, 2012 and 2011

2. Summary of Significant Accounting Policies (Continued)

Revenue Recognition

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. Under the terms of various agreements, regulations and statutes, certain elements of third-party reimbursements are subject to negotiation, audit and/or final determination by the third-party payor. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

Variances between preliminary estimates of net patient service revenue and final third-party settlements are included in net patient service revenue in the year in which the settlement or change in estimate occurs. The differences between amounts previously estimated and amounts subsequently determined to be receivable or payable to third-party payors increased net patient service revenue by approximately \$9,966,000 and \$10,008,000 for the years ended June 30, 2012 and 2011, respectively.

Revenues from the Medicare and Medicaid programs accounted for approximately 28% and 18%, respectively, of the Company's net patient service revenue for the year ended June 30, 2012, and 28% and 19%, respectively, for the year ending June 30, 2011. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. The Company believes that it is in substantial compliance with all applicable laws and regulations.

Compliance with such laws and regulations may be subject to future government review and interpretation, as well as significant regulatory action including repayment of previously billed and collected revenue, fines, penalties and exclusion from the Medicare and Medicaid programs.

Charity Care

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

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and investments that are readily convertible into cash and purchased with original maturities of three months or less. Cash and cash equivalents held in the investment portfolio are excluded from the cash and cash equivalents line item on the balance sheet.

Accounts Receivable

The allowance for doubtful accounts is provided based on an analysis by management of the collectibility of outstanding balances. Management considers the age of outstanding balances and past collection efforts in determining the reserve for doubtful accounts. Accounts deemed uncollectible are charged off against the established reserve.

MAINEGENERAL HEALTH AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended June 30, 2012 and 2011

2. Summary of Significant Accounting Policies (Continued)

MGH maintains a self-insured health benefit arrangement for MGH and all subsidiaries. Employee Benefit Plan Administration, Inc. serves as the third-party administrator of the plan and provides specific stop loss coverage with a \$225,000 deductible per individual. MGH establishes reserves for anticipated claims and determines health insurance expense based on actual claims experience, employee census, and estimates of incurred but not reported claims.

Deferred Refundable and Nonrefundable Advance Fees

Fees paid by a resident upon entering into a continuing care contract are recorded as deferred revenue and are amortized to income based on two different methods; one method for the refundable advance fees and another method for the nonrefundable advance fees. The refundable advance fees are amortized to income over future periods based on the remaining useful life of the facility. The nonrefundable advance fees are amortized to income over future periods based on the estimated life of each resident or contract term, if shorter. Refundable advance fees are paid back upon receipt of total advance fees received from a resident upon sale of a similar residential unit. Refundable advance fees at June 30, 2012 and 2011 were approximately \$11,791,000 and \$12,594,000, respectively. Nonrefundable advance fees at June 30, 2012 and 2011 were approximately \$1,369,000 and \$1,364,000, respectively

Assets Whose Use is Limited or Restricted

Assets whose use is limited include assets set aside by the Board of Trustees (the Board) for future capital investments on program development over which the Board retains control and may, at its discretion, subsequently use for other purposes, assets held by trustees under bond indenture agreements and assets held in trust for funding workers' compensation costs. Assets whose use is restricted include assets contributed by donors for specific purposes (temporarily restricted), and perpetual trusts and permanent endowment funds (permanently restricted).

Other Revenue

Unrestricted investment income on short-term investments, assets held in trust under debt agreements, certain insurance reserve assets, and interest income on operating cash, bond reserve funds, and temporary investments are included in other revenue. Rental revenue, grant revenue, senior housing revenue, cafeteria sales, cooperative rebates, joint venture income, practice management revenue and other miscellaneous revenue are also included in other revenue

Donor-Restricted Gifts

Unconditional promises to give cash and other assets to the Company are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is actually received or the conditions are met. 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.

MAINEGENERAL HEALTH AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended June 30, 2012 and 2011

2. Summary of Significant Accounting Policies (Continued)

Tax Status

All entities included in the consolidated financial statements have been determined to be tax-exempt organizations as described in Section 501(c)(3) of the Internal Revenue Code (the Code) and, accordingly, are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. Accordingly, no provision for income taxes has been recorded in the accompanying consolidated financial statements for these tax-exempt organizations.

Tax-exempt organizations could be required to record an obligation for income taxes as the result of a tax position they have historically taken on various tax exposure items including unrelated business income or tax status. The Company has evaluated the positions taken on its filed tax returns. The Company has concluded no uncertain income tax positions exist at June 30, 2012. The Company's tax years from 2009 through 2012 are open and subject to examination.

Functional Expenses

The Company provides general health services to area residents. Expenses incurred by the Company for the years ended June 30, 2012 and 2011 were predominantly related to this mission.

Subsequent Events

Events occurring after the balance sheet date are evaluated by management to determine whether such events should be recognized or disclosed in the financial statements. Management has evaluated subsequent events through September 28, 2012 which is the date the consolidated financial statements were available to be issued.

Prospective Accounting Pronouncement

In July 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Updates (ASU) No. 2011-07, which requires reclassifying the provisions for bad debts associated with patient service revenue from an operating expense to a deduction from patient service revenue. It also requires enhanced disclosure about the policies for recognizing revenue and assessing bad debts, disclosures of patient service revenue, as well as qualitative and quantitative information about changes in the allowance for doubtful accounts. The provisions of ASU 2011-07 are effective for the Company beginning July 1, 2012. The Company does not expect that the impact of this accounting pronouncement will be significant to the consolidated financial statements.

In July 2012, the FASB issued ASU 2012-01, which addresses the accounting for continuing care retirement communities' refundable advance fees. This update clarifies that an entity should classify an advance fee as deferred revenue when a continuing care retirement community has a resident contract that provides for payment of the refundable advance fee upon reoccupancy by a subsequent resident, which is limited to the proceeds of reoccupancy. Refundable advance fees that are contingent upon reoccupancy by a subsequent resident but are not limited to the proceeds of reoccupancy should be accounted for and reported as a liability. Management has not evaluated the potential impact of this update, however, the impact to the consolidated financial statements could be significant. The provisions of ASU 2012-01 are effective for the Company beginning in fiscal 2014.

MAINEGENERAL HEALTH AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended June 30, 2012 and 2011

3. Net Patient Service Revenue

The Company has entered into payment agreements with Medicare, MaineCare and various commercial insurance carriers. The basis for payment under these agreements includes prospectively determined rates per discharge, episode of care, per day or per visit, prospectively determined rates for outpatient episodes of care, discounts from established charges, cost (subject to limits) and fee tables.

The estimated third-party payor settlements reflected on the balance sheet represent the estimated net amounts to be received or paid under reimbursement contracts with the Centers for Medicare and Medicaid Services (CMS), MaineCare and any commercial payors with settlement provision. Settlements have been issued through 2004 for Medicare and through 2008 for Medicaid. Anthem settlements are final through 2011.

The consolidated balance sheet includes amounts due from the State of Maine under the MaineCare program. The current State budget does not provide for payment of amounts due the Company and, therefore, amounts due from the State as of June 30, 2012 are classified as long term on the consolidated balance sheet. The amounts recorded from the State have been determined based upon applicable regulations and the Company expects that these amounts will ultimately be paid in full. Due to the complex nature of such regulations, there is at least a reasonable possibility that recorded estimates will change by a material amount.

In June 2012, the Medical Center entered into a risk-sharing agreement with the State of Maine's Employee Health Commission (SEHC) for the fiscal year ended June 30, 2013. Under the agreement, SEHC will designate the Medical Center as a "preferred hospital", while the Medical Center will place \$1,000,000 at risk, subject to meeting agreed-upon cost benchmarks.

Laws and regulations governing the Medicare and Medicaid 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. The Company believes that it is substantially in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing specific to the Company. While no such regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action including fines, penalties and exclusion from the Medicare and Medicaid programs. Differences between amounts previously estimated and amounts subsequently determined to be recoverable or payable are included in net patient service revenue in the year that such amounts become known.

The amounts which the Company charged for patient services at established rates, along with the difference between the amounts charged and the amounts realized under third-party reimbursement formulas (contractual adjustments) and the amounts classified as charity care, are shown below for the years ended June 30:

	<u>2012</u>	<u>2011</u>
Gross patient service charges	\$ 773,194,956	\$ 729,785,069
Contractual adjustments	(347,784,813)	(321,094,773)
Charity care	<u>(11,371,543)</u>	<u>(13,408,834)</u>
Net patient service revenue	\$ <u>414,038,600</u>	\$ <u>395,281,462</u>

MAINEGENERAL HEALTH AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended June 30, 2012 and 2011

4. Community Benefit and Charity Care

The Company provides comprehensive healthcare services to the community regardless of a patient's ability to pay.

- The CarePartners program has been in place since 1998 and, to date, has served approximately 10,900 uninsured individuals in the region, providing primary care, preventive services, hospital services, pharmaceuticals, and specialty care by participating providers.
- For children and families, the Company offers several health promotion programs throughout the year, including breast feeding classes, sibling classes, a safe sitter program, and parenting education.
- Last year, the Medical Center provided approximately 500 community health events, including free education sessions, support meetings and screenings, to nearly 14,400 participants. It provided approximately 200 seasonal flu vaccinations at its community clinics, more than 4,800 H1N1 flu vaccinations at area schools, and more than 570 free health screenings, including sun safety and blood pressure.
- For adults and seniors, the Company provides classes and support groups aimed at health and wellness, including cancer prevention, diabetes care and smoking cessation, along with support groups for area individuals with a variety of health problems, including cancer, bariatric surgery, brain injury, stroke and hospice.
- The Medical Center's Physician Hospital Organization is part of an employer healthcare collaborative designed to help improve employees' health, concentrating on high risk behaviors and chronic disease. Overall, the goals are to help stabilize rising healthcare costs and enhance individuals' quality of life.

The Company accepts patients regardless of their ability to pay. A patient is classified as a charity patient by reference to certain established policies, which define charity services as those services for which no payment is anticipated. In assessing a patient's eligibility for charity care, the Medical Center and MGRNC use federally established poverty guidelines. Free care eligibility has been established at 175% of federal poverty levels with a sliding scale up to 225%. HRN provides certain community alcohol rehabilitation services under sliding fee arrangements. In addition, the Medical Center, MGRNC and MGRC will, at times, accept reduced payments when management identifies cases of financial hardship which do not conform to the Company's formal guidelines.

Charity care is measured based on services provided at established rates but is not included in net patient service revenue. Costs and expenses incurred in providing these services are included in operating expenses. The Company determines the costs associated with providing charity care by calculating a ratio of cost to gross charges, and then multiplying that ratio by the gross uncompensated charges associated with providing care to patients eligible for free care. Under this methodology, the estimated costs of caring for charity care patients for the years ended June 30, 2012 and 2011 were \$4,666,000 and \$5,508,000, respectively. Charges for services rendered to individuals from whom payment is expected and ultimately not received are written off and included as an operating expense as part of the provision for bad debts.

MAINEGENERAL HEALTH AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended June 30, 2012 and 2011

5. Accounts Receivable

Accounts receivable consisted of the following at June 30:

	<u>2012</u>	<u>2011</u>
Patient accounts receivable	\$128,991,711	\$ 122,748,507
Allowance for contractual adjustments	(33,814,667)	(30,893,482)
Allowance for doubtful accounts	(30,108,939)	(25,321,683)
Advance payments from third-party payors	<u>(23,498,999)</u>	<u>(27,708,000)</u>
	<u>\$ 41,569,106</u>	<u>\$ 38,825,342</u>

6. Pledges Receivable

Pledges receivable represent unconditional promises to give. Pledges expected to be collected within one year are recorded at their net realizable value. Pledges that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The present value of estimated future cash flows has been measured utilizing risk-free rates of return adjusted for market and credit risk established at the time a contribution is received.

Pledges are expected to be collected as follows at June 30.

	<u>2012</u>	<u>2011</u>
Within one year	\$ 9,856,764	\$1,318,234
One to five years	12,189,037	3,055,691
Due after five years	<u>545,793</u>	<u>—</u>
Pledges receivable	22,591,594	4,373,925
Less allowance for uncollectible pledges	(683,354)	(138,285)
Present value discount	<u>(934,470)</u>	<u>(141,040)</u>
Pledges receivable, net	<u>\$20,973,770</u>	<u>\$4,094,600</u>

A grant commitment of \$35,000,000 was received from a private foundation for the purposes of construction, furnishing, and associated landscaping of a new regional replacement hospital and Thayer comprehensive outpatient center. The commitment is comprised of a core support payment of \$25,000,000 subject to certain conditions, with payments of approximately \$8,333,000, \$8,333,000, and \$8,333,000 to be made to the Medical Center on December 31, 2011, December 31, 2012, and June 30, 2013 respectively. At June 30, 2012, the first payment has been received and the remaining \$16,666,000 is recorded in pledges receivable. Provided the conditions for the core support payment are satisfied, the foundation has agreed to pay up to an additional \$10,000,000 to the Medical Center for the purpose of matching charitable contributions to the Project, subject to certain conditions. Through June 30, 2012, approximately \$1,200,000 has been received and recorded as contributions. The commitment letter also confirmed the foundation's pledge of collateral for a surety bond to be obtained by the Medical Center for the Debt Service Reserve Fund associated with the issuance of tax exempt bonds by the Maine Health and Higher Educational Facilities Authority (MHHEFA) to finance the Project. Refer to Note 10 for further discussion.

MAINEGENERAL HEALTH AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended June 30, 2012 and 2011

7. Investments

The cost and market value of investments held at June 30 are as follows:

	2012		2011	
	<u>Cost</u>	<u>Market</u>	<u>Cost</u>	<u>Market</u>
Short-term investments:				
Cash and cash equivalents	\$ 285,927	\$ 285,927	\$ 513,773	\$ 513,773
Fixed income mutual funds	<u>2,155,196</u>	<u>2,357,368</u>	<u>8,205,897</u>	<u>8,773,346</u>
Total short-term investments	2,441,123	2,643,295	8,719,670	9,287,119
Long-term investments:				
Cash and cash equivalents	32,041,494	32,041,494	8,687,320	8,687,320
Accrued interest	40,997	40,997	236,569	236,569
Guaranteed investment contract	238,583,795	238,583,795	—	—
U.S. government securities	3,773,685	3,820,435	16,577,423	16,616,234
Common stock mutual funds	12,357,824	12,192,077	13,350,576	16,564,812
Limited partnerships	11,708,490	15,163,603	21,391,944	28,946,606
Global asset allocation				
mutual funds	16,476,149	15,895,235	17,190,322	17,311,101
Fixed income mutual funds	5,511,579	5,847,059	7,669,466	7,899,740
Hedge fund of funds	—	—	7,600,000	7,600,000
Corporate debt securities	800,389	793,752	11,728,654	11,758,639
International government securities	559,602	562,130	2,557,066	2,566,610
Beneficial interest in charitable				
remainder trusts	505,487	588,987	505,487	616,854
Beneficial interest in perpetual				
trusts	<u>9,068,840</u>	<u>9,951,744</u>	<u>9,103,272</u>	<u>10,485,943</u>
Total long-term investments	<u>331,428,331</u>	<u>335,481,308</u>	<u>116,598,099</u>	<u>129,290,428</u>
Total investments	\$ <u>333,869,454</u>	\$ <u>338,124,603</u>	\$ <u>125,317,769</u>	\$ <u>138,577,547</u>

Included in limited partnerships are alternative investment vehicles, including commingled funds with a market value of \$15,163,603 and \$28,946,606 at June 30, 2012 and 2011, respectively, whose holdings are in U.S. and international equities. At June 30, 2011, hedge funds of \$7,600,000 were included in hedge fund of funds.

The Medical Center has a beneficial interest in certain perpetual trusts established by donors for the benefit of the Medical Center. The Medical Center receives the investment income from the perpetual trusts; however, the principal and gains of the trusts are to be maintained perpetually in the trusts and will not become available to the Medical Center. The perpetual trusts are included in permanently restricted net assets.

The underlying fair value of investments, which are traded on national exchanges (except for managed funds), is based on the final reported sales price on the last business day of the year. The fair value of investments traded in over-the-counter markets is based on the average of the last recorded bid and asked price.

MAINEGENERAL HEALTH AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended June 30, 2012 and 2011

7. Investments (Continued)

Investment return, net is comprised of the following for the years ended June 30:

	<u>2012</u>	<u>2011</u>
Unrestricted:		
Investment income	\$ 1,156,830	\$ 2,160,656
Investment income included in other revenue	178,396	603,704
Change in net unrealized (losses) gains on investments	(7,726,341)	8,688,629
Realized gains on investments, net	<u>5,481,884</u>	<u>2,646,312</u>
Total unrestricted	(909,231)	14,099,301
Temporarily restricted:		
Investment income	207,372	269,459
Change in net unrealized (losses) gains on investments	(865,136)	264,993
Realized gains on investments, net	<u>790,017</u>	<u>336,254</u>
Total temporarily restricted	132,253	870,706
Permanently restricted:		
Change in net unrealized (losses) gains on investments	(35,088)	7,291
Change in market value of perpetual trusts	(534,199)	1,301,630
Realized gains on investments, net	<u>36,408</u>	<u>8,807</u>
Total permanently restricted	<u>(532,879)</u>	<u>1,317,728</u>
	<u>\$ (1,309,857)</u>	<u>\$ 16,287,735</u>

The Company has adopted ASC 820-10 which establishes a hierarchy of valuation inputs based on the extent to which the inputs are observable in the marketplace. Observable inputs reflect market data obtained from sources independent of the reporting entity and unobservable inputs reflect the entities' own assumptions about how market participants would value an asset based on the best information available. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The standard describes a fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value.

Following is a description of the Company's valuation methodologies for assets measured at fair value.

Level 1 – Assets classified as Level 1 represent items that are traded in active exchange markets and for which valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities. Assets classified as Level 1 include cash and cash equivalents, accrued interest, U.S. Government securities, mutual funds, corporate debt securities and international government securities.

Level 2 – Valuations for assets traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities. Assets classified as Level 2 include guaranteed income contracts and limited partnerships.

MAINEGENERAL HEALTH AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended June 30, 2012 and 2011

7. Investments (Continued)

Level 3 – Valuations for assets that are derived from other valuation methodologies not based on direct market exchange, dealer or broker traded transactions. Assets classified as Level 3 include hedge fund of funds, beneficial interests in perpetual trusts and charitable remainder trusts.

The Medical Center is a beneficiary of irrevocable perpetual trusts. The amounts reflected as an asset on the balance sheet are valued at the fair value of the Medical Center's interest in the perpetual trust. At June 30, 2012 and 2011, the Medical Center has recorded the beneficial interest in the perpetual trusts of \$9,951,744 and \$10,485,943, respectively.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Company believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The financial instruments carried at fair value by caption on the consolidated balance sheets by the ASC 820-10 valuation hierarchy defined previously are as follows at June 30:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
2012				
Short-term investments:				
Cash and cash equivalents	\$ 285,927	\$ —	\$ —	\$ 285,927
Fixed income mutual funds	<u>2,357,368</u>	<u>—</u>	<u>—</u>	<u>2,357,368</u>
Total short-term investments	2,643,295	—	—	2,643,295
Long-term investments:				
Cash and cash equivalents	32,041,494	—	—	32,041,494
Accrued interest	40,997	—	—	40,997
Guaranteed income contracts	—	238,583,795	—	238,583,795
U.S. government securities	3,820,435	—	—	3,820,435
Common stock mutual funds	12,192,077	—	—	12,192,077
Limited partnerships	—	15,163,603	—	15,163,603
Global asset allocation mutual funds	15,895,235	—	—	15,895,235
Fixed income mutual funds	5,847,059	—	—	5,847,059
Corporate debt securities	—	793,752	—	793,752
International government securities	<u>562,130</u>	<u>—</u>	<u>—</u>	<u>562,130</u>
Total long-term investments	70,399,427	254,541,150	—	324,940,577
Beneficial interest in charitable remainder trusts	—	—	588,987	588,987
Beneficial interest in perpetual trusts	<u>—</u>	<u>—</u>	<u>9,951,744</u>	<u>9,951,744</u>
Total investments	<u>\$73,042,722</u>	<u>\$254,541,150</u>	<u>\$10,540,731</u>	<u>\$ 338,124,603</u>

MAINEGENERAL HEALTH AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended June 30, 2012 and 2011

7. Investments (Continued)

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
2011				
Short-term investments:				
Cash and cash equivalents	\$ 513,773	\$ —	\$ —	\$ 513,773
Fixed income mutual funds	<u>8,773,346</u>	<u>—</u>	<u>—</u>	<u>8,773,346</u>
Total short-term investments	9,287,119	—	—	9,287,119
Long-term investments:				
Cash and cash equivalents	8,687,320	—	—	8,687,320
Accrued interest	236,569	—	—	236,569
U S government securities	16,616,234	—	—	16,616,234
Common stock mutual funds	16,564,812	—	—	16,564,812
Limited partnerships	—	28,946,606	—	28,946,606
Global asset allocation mutual funds	17,311,101	—	—	17,311,101
Fixed income mutual funds	7,899,740	—	—	7,899,740
Hedge fund of funds	—	—	7,600,000	7,600,000
Corporate debt securities	—	11,758,639	—	11,758,639
International government securities	<u>2,566,610</u>	<u>—</u>	<u>—</u>	<u>2,566,610</u>
Total long-term investments	69,882,386	40,705,245	7,600,000	118,187,631
Beneficial interest in charitable remainder trusts	—	—	616,854	616,854
Beneficial interest in perpetual trusts	<u>—</u>	<u>—</u>	<u>10,485,943</u>	<u>10,485,943</u>
Total investments	<u>\$79,169,505</u>	<u>\$ 40,705,245</u>	<u>\$18,702,797</u>	<u>\$ 138,577,547</u>

The limited partnership investments are subject to certain redemption terms. Amounts may be redeemed with five days' notice at the end of a month based upon net asset value.

The following are a rollforward of the balance sheet amounts for financial instruments classified by the Company within Level 3 of the fair value hierarchy defined above for the years ended June 30:

	<u>Hedge Fund of Funds</u>	<u>Charitable Remainder Trusts</u>	<u>Perpetual Trusts</u>	<u>Total Level 3 Assets</u>
2012				
Fair value, July 1, 2011	\$ 7,600,000	\$616,854	\$10,485,943	\$18,702,797
Realized gains	313,648	—	—	313,648
Sales	(7,913,648)	—	—	(7,913,648)
Change in value of charitable remainder trusts and perpetual trusts	<u>—</u>	<u>(27,867)</u>	<u>(534,199)</u>	<u>(562,066)</u>
Fair value, June 30, 2012	<u>\$ —</u>	<u>\$588,987</u>	<u>\$ 9,951,744</u>	<u>\$10,540,731</u>

MAINEGENERAL HEALTH AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended June 30, 2012 and 2011

7. Investments (Continued)

	Hedge Fund of Funds	Charitable Remainder Trusts	Perpetual Trusts	Total Level 3 Assets
2011				
Fair value, July 1, 2010	\$ 5,400,000	\$530,167	\$ 9,184,313	\$15,114,480
Net purchases and sales	2,200,000	—	—	2,200,000
Change in value of charitable remainder trusts and perpetual trusts	<u>—</u>	<u>86,687</u>	<u>1,301,630</u>	<u>1,388,317</u>
Fair value, June 30, 2011	<u>\$ 7,600,000</u>	<u>\$616,854</u>	<u>\$10,485,943</u>	<u>\$18,702,797</u>

8. Property and Equipment

Property and equipment consisted of the following at June 30:

	<u>2012</u>	<u>2011</u>
Land and improvements	\$ 9,740,868	\$ 14,176,362
Buildings	137,021,855	192,348,865
Equipment	136,518,535	140,021,104
Construction in progress	<u>125,077,417</u>	<u>14,645,059</u>
	408,358,675	361,191,390
Less accumulated depreciation	<u>(174,331,919)</u>	<u>(202,721,842)</u>
	<u>\$ 234,026,756</u>	<u>\$ 158,469,548</u>

Depreciation expense for the years ended June 30, 2012 and 2011 was approximately \$19,675,000 and \$22,058,000, respectively. The Company retired approximately \$6,181,000 of assets in fiscal 2012 which consisted largely of fully depreciated, obsolete equipment, as compared to \$7,234,000 in fiscal 2011.

Construction Contracts

The Company is constructing a new Regional Hospital which will consolidate inpatient services that are currently provided at the Medical Center's two campus locations in Augusta and Waterville, Maine. Project costs of the Regional Hospital are anticipated to be approximately \$322,326,000 of which approximately \$119,740,000 has been incurred and included in construction in progress.

The Company has construction contracts totaling approximately \$274 million for the project and, at June 30, 2012, the remaining commitment on the contract is approximately \$145 million. The facility is being financed through a combination of internal and external financing (see Note 10).

MAINEGENERAL HEALTH AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended June 30, 2012 and 2011

8. Property and Equipment (Continued)

Assets Available for Sale

Consistent with the decision to consolidate the Augusta and Waterville inpatient services, the Medical Center has reported certain property and equipment (primarily the Augusta campus property and Waterville Seton property) related to the existing facilities as available for sale on the consolidated balance sheet in an amount equal to the estimated fair value of the property. The Medical Center has reported an impairment loss in the amount of \$23,749,966 in nonoperating gains (losses) for the excess of the carrying value of the assets over the fair value

9. Other Assets

Other assets were composed of the following at June 30:

	<u>2012</u>	<u>2011</u>
Deferred financing costs, net	\$5,943,465	\$ 952,129
Investment in joint ventures	2,453,101	2,258,976
Note receivable	<u>47,224</u>	<u>50,686</u>
	<u>\$8,443,790</u>	<u>\$3,261,791</u>

Amortization expense related to deferred financing costs for the years ended June 30, 2012 and 2011 was approximately \$193,000 and \$59,000, respectively

10. Long-Term Obligations

Long-term debt consisted of the following at June 30.

	<u>2012</u>	<u>2011</u>
2011 Series Revenue Bonds, interest at fixed rates ranging from 4 0% to 7 5%, maturing in various amounts through 2041	\$280,750,000	\$ —
2006 Series A Revenue Bonds, interest at fixed rates ranging from 3.5% to 5.0%, maturing in various amounts through 2025	28,135,735	30,440,735
2003D Revenue Bonds, interest at fixed rates ranging from 2.0% to 3.4%, maturing in various amounts through 2017	3,004,881	3,539,881
Bank of America term loan, interest at LIBOR rate plus 0.9%	15,621,206	17,733,706
Other notes payable	98,611	82,553
Capital lease obligation, payments in various amounts through 2021	<u>428,308</u>	<u>27,123</u>
	328,038,741	51,823,998
Net unamortized original issue premium/discount	<u>1,226,444</u>	<u>1,257,690</u>
	329,265,185	53,081,688
Less current portion	<u>(5,611,197)</u>	<u>(5,058,205)</u>
	<u>\$323,653,988</u>	<u>\$48,023,483</u>

MAINEGENERAL HEALTH AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended June 30, 2012 and 2011

10. Long-Term Obligations (Continued)

In October 2003, MGRNC participated in a pooled financing of MHHEFA Series 2003D Revenue Bonds in the amount of \$7,565,000, plus original issue premium of \$207,715. MGRNC has granted MHHEFA a collateral interest in all gross receipts of MGRNC and a collateral interest in buildings, equipment and fixtures. In connection with the Series 2003D Revenue Bonds, MGRNC must maintain a debt service coverage ratio of at least 1.20.

In February 2006, the Medical Center and MGRC participated in a pooled financing of MHHEFA Series 2006A Revenue Bonds. The Medical Center borrowed approximately \$30,113,000, including original issue premium of \$1,073,000 to construct a cancer center and renovate emergency rooms at both Augusta and Waterville campuses. MGRC borrowed approximately \$10,342,000, including original issue premium of \$517,239, to construct an assisted living facility and to refinance debt in the amount of \$3,112,239. Under the Master Indenture, the debt is collateralized by gross receipts of the Obligated Group (the Medical Center, MGH, HRN, MGRNC, MGHA and MGRC). In accordance with the terms of the bond indenture, the Obligated Group is required to maintain certain financial covenants, including a minimum aggregate debt service coverage ratio of 1.20

In October 2009, a Supplemental Trust Indenture (the Trust Indenture) was executed between the Obligated Group and the Bank of New York Mellon Trust Company, N.A., as Master Trustee. Effective June 30, 2009 according to the Trust Indenture, MGRNC's debt is guaranteed by the Obligated Group. In accordance with the terms of the Trust Indenture, MGRNC's debt is subject to the Obligated Group's financial covenants, including maintaining a minimum aggregate debt service coverage ratio of 1.20.

In December 2010, the Medical Center entered into a term loan agreement with the Bank of America, N.A. for the purpose of refinancing the Medical Center 1997 Series B Revenue Bonds in the amount of approximately \$17,734,000. Under the terms of the loan agreement, the Medical Center was required to pay interest at the LIBOR rate plus 1.65% on the outstanding principal. On July 25, 2011, the Medical Center refinanced the term loan with Bank of America, N.A. According to the terms of the First Amendment to the Credit Agreement, the Medical Center is required to remit monthly principal and interest payments in the amount of \$211,250 commencing on September 1, 2011 (based upon seven year amortization), with the entire outstanding principal balance of the loan due and payable on July 25, 2016. The interest rate, according to the agreement, is based on the LIBOR rate plus .90% (1.13% at June 30, 2012) on the outstanding principal. The agreement requires that the Medical Center maintain securities collateral with an aggregate adjusted value of not less than 100% of the principal amount of the loan outstanding in the pledged cash and other investment accounts at Bank of America, N.A.

In August 2011, the Medical Center entered into a Loan Agreement (the Agreement) with MHHEFA, under which MHHEFA loaned the proceeds of the sale of Series 2011 Revenue Bonds in the amount of \$280,750,000 to the Medical Center. The proceeds of the Series 2011 Bonds, together with other available funds, will be used to finance the construction and equipping of a new 192-bed replacement hospital (the Regional Hospital) located in Augusta, Maine. The Medical Center has granted MHHEFA a security interest in its equipment, a mortgage lien on the Regional Hospital and the Medical Center's Harold Alfond Cancer Center, and on the gross receipts of the Obligated Group. In connection with the Series 2011 Revenue Bonds, the Obligated Group must maintain a minimum aggregate debt service coverage ratio of 1.20. In addition to the debt service reserve fund, the Company also has obtained a \$15,000,000 surety bond.

MAINEGENERAL HEALTH AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended June 30, 2012 and 2011

10. Long-Term Obligations (Continued)

Scheduled principal payments of long-term debt are as follows for the years ended June 30:

2013	\$ 5,611,197
2014	4,979,714
2015	5,197,415
2016	5,415,938
2017	8,560,685
Thereafter	<u>299,500,236</u>
	<u>\$329,265,185</u>

At June 30, 2012, the Company has an available line of credit of \$7,500,000 with interest at 2.25% above LIBOR with a minimum interest rate of 3.25% per annum (3.25% at June 30, 2012). The line of credit is secured by a continuing lien on and security interest in all deposit accounts and funds on deposit therein. At June 30, 2012 and 2011, approximately \$938,000 and \$1,598,000 was outstanding on the line of credit, respectively. The line of credit matures on February 28, 2013, when the outstanding balance is due and payable in full

In July 2012, MGH was issued a standby letter of credit by Wells Fargo Bank, N A through Bangor Savings Bank for the purpose of capitalizing the Captive. The maximum amount available under this agreement is \$1,250,000. The interest rate, according to the agreement, is based on the Prime rate, and principal and interest payments are due upon demand.

As part of the bond and note agreements the Medical Center has with MHHEFA and the note payable with Bank of America, the Medical Center is required to fund and maintain certain bond funds. The total amounts held in these funds by a trustee are as follows at June 30:

	<u>2012</u>	<u>2011</u>
2011 MHHEFA Bond:		
Construction Fund	\$136,287,846	\$ —
Capitalized Interest Fund	42,360,602	—
Debt Service Fund	2,613,873	—
Debt Service Reserve Fund	11,016,303	—
2006A MHHEFA Bond Debt Service Fund	3,137,870	3,017,560
2003D MHHEFA Bond Debt Service Fund	630,184	619,250
Bank of America term loan	<u>15,640,518</u>	<u>—</u>
	<u>\$211,687,196</u>	<u>\$3,636,810</u>

MAINEGENERAL HEALTH AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended June 30, 2012 and 2011

11. Temporarily and Permanently Restricted Net Assets (Continued)

Net gains or losses on the sale of investments held by perpetual trusts are required to be added to or deducted from the principal of the trusts. Interest and dividend income from the perpetual trusts is unrestricted, and investment income (including net gains or losses on the sale of investments) related to the majority of the remaining permanently restricted net assets is temporarily restricted subject to use based on the Company's spending policy.

The Company's endowment funds consist of approximately 50 individual funds established for a variety of purposes. The endowment includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. Net assets associated with endowment funds are classified, in accordance with relevant state law as interpreted by the Board of Trustees, as unrestricted, temporarily restricted, and permanently restricted based on the existence or absence of donor-imposed restrictions. Unrestricted net assets include board-designated funds, and any accumulated income and appreciation thereon. Temporarily restricted net assets include accumulated appreciation on temporarily and permanently restricted funds. Permanently restricted net assets include contributions designated by donors to be invested in perpetuity to produce income for general or specific purposes.

The Company has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Company must hold in perpetuity or for a donor-specific period as well as board-designated funds. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce a return of 8.0% over the long term. Actual returns in any given year may vary from this amount.

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

The Company has a policy of appropriating for distribution each year 4.5% of its endowment fund's moving average fair value over the prior 36 months as of June 30 of the preceding fiscal year in which the distribution is planned. In establishing this policy, the Company considered the long-term expected return on its endowment. Accordingly, over the long term, the Company expects the current spending policy to allow its endowment to grow at an average of the long-term rate of inflation. This is consistent with the Company's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specific term as well as to provide additional real growth through new gifts and investment return.

MAINEGENERAL HEALTH AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended June 30, 2012 and 2011

11. Temporarily and Permanently Restricted Net Assets (Continued)

The endowment net asset composition by type of fund consisted of the following at June 30:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
2012				
Donor-restricted funds	\$ —	\$1,875,173	\$15,857,998	\$17,733,171
Board-designated funds	<u>10,803,219</u>	<u>—</u>	<u>—</u>	<u>10,803,219</u>
Total endowment funds	<u>\$10,803,219</u>	<u>\$1,875,173</u>	<u>\$15,857,998</u>	<u>\$28,536,390</u>
2011				
Donor-restricted funds	\$ —	\$2,348,746	\$16,366,677	\$18,715,423
Board-designated funds	<u>11,023,523</u>	<u>—</u>	<u>—</u>	<u>11,023,523</u>
Total endowment funds	<u>\$11,023,523</u>	<u>\$2,348,746</u>	<u>\$16,366,677</u>	<u>\$29,738,946</u>

Changes in endowment net assets consisted of the following for the years ended June 30:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
2012				
Endowment net assets, beginning of year	\$11,023,523	\$2,348,746	\$16,366,677	\$29,738,946
Investment return:				
Investment income	86,575	93,757	—	180,332
Net depreciation (realized and unrealized)	<u>(282,502)</u>	<u>(54,935)</u>	<u>(532,879)</u>	<u>(870,316)</u>
Total investment return	<u>(195,927)</u>	<u>38,822</u>	<u>(532,879)</u>	<u>(689,984)</u>
Contributions	107,784	81,344	24,200	213,328
Appropriation of endowment assets for expenditure	<u>(132,161)</u>	<u>(593,739)</u>	<u>—</u>	<u>(725,900)</u>
Endowment net assets, end of year	<u>\$10,803,219</u>	<u>\$1,875,173</u>	<u>\$15,857,998</u>	<u>\$28,536,390</u>

MAINEGENERAL HEALTH AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended June 30, 2012 and 2011

11. Temporarily and Permanently Restricted Net Assets (Continued)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
2011				
Endowment net assets, beginning of year	\$ 9,903,984	\$ 1,763,283	\$ 15,043,483	\$ 26,710,750
Investment return:				
Investment income	228,273	167,949	—	396,222
Net appreciation (realized and unrealized)	<u>1,823,742</u>	<u>592,805</u>	<u>1,317,728</u>	<u>3,734,275</u>
Total investment return	2,052,015	760,754	1,317,728	4,130,497
Contributions	94,257	98,078	5,466	197,801
Appropriation of endowment assets for expenditure	<u>(1,026,733)</u>	<u>(273,369)</u>	<u>—</u>	<u>(1,300,102)</u>
Endowment net assets, end of year	<u>\$11,023,523</u>	<u>\$2,348,746</u>	<u>\$16,366,677</u>	<u>\$29,738,946</u>

12. Retirement Plans

Effective December 31, 2004, MGH's Board of Directors approved the curtailment of MGH's noncontributory defined benefit plan which covers substantially all employees except employees of MGRNC, HRN and MGRC. Participation and benefit accruals were frozen under the Plan effective December 31, 2004. As a result, the projected benefit obligation equals the accumulated benefit obligation.

Funded Status

The changes in benefit obligation and fair value of plan assets based on the measurement date and the amounts recognized in the consolidated financial statements consist of the following at June 30:

	<u>2012</u>	<u>2011</u>
Change in benefit obligation:		
Benefit obligation, beginning of year	\$ 110,875,518	\$ 109,894,140
Interest cost	5,868,814	5,719,914
Actuarial loss (gain)	20,893,387	(782,535)
Gross benefits paid	<u>(4,220,346)</u>	<u>(3,956,001)</u>
Accumulated benefit obligation, end of year	<u>\$ 133,417,373</u>	<u>\$ 110,875,518</u>
Change in plan assets:		
Fair value of plan assets, beginning of year	\$ 83,238,063	\$ 70,325,052
Actual return on plan assets	6,604,609	13,311,642
Employer contributions	4,767,126	3,557,370
Gross benefits paid	<u>(4,220,346)</u>	<u>(3,956,001)</u>
Fair value of plan assets, end of year	<u>\$ 90,389,452</u>	<u>\$ 83,238,063</u>

MAINEGENERAL HEALTH AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended June 30, 2012 and 2011

12. Retirement Plans (Continued)

Investment Policy and Asset Allocations

The expected long-term rate of return assumption represents the expected average rate of earnings on the funds invested or to be invested to provide for the benefits included in the benefit obligations. The long-term rate of return assumption is determined based on a number of factors, including historical market index returns, the anticipated long-term asset allocation of the plans, historical plan return data, plan expenses, and the potential to outperform market index returns.

The investment objectives for the assets of the plan are to minimize expected funding contributions and to meet or exceed the rate of return assumed for plan funding purposes over the long term. The nature and duration of benefit obligations, along with assumptions concerning asset class returns and return correlations, are considered when determining an appropriate asset allocation to achieve the investment objectives. Active and indexed investment managers are incorporated in the investment portfolio as deemed prudent.

Investment policies and strategies governing the assets of the plans are designed to achieve investment objectives within prudent risk parameters. Risk management practices include the use of external investment managers and the maintenance of a portfolio diversified by asset class, investment approach and security holdings, and the maintenance of sufficient liquidity to meet benefit obligations as they come due.

The weighted average asset allocations for the plan and the target allocation by asset category are as follows at June 30:

	2012 Target <u>Allocation</u>	<u>2012</u>	2011 Target <u>Allocation</u>	<u>2011</u>
Asset category:				
Large cap equity securities	25.0%	26.7%	25.0%	26.2%
Small cap equity securities	6.0	5.4	6.0	6.5
International equity securities	19.0	16.2	19.0	19.0
Fixed income securities	25.0	23.8	25.0	23.0
Global asset allocation fund	15.0	13.8	15.0	15.0
Hedge fund of funds	10.0	8.7	10.0	8.9
Other	<u>0.0</u>	<u>5.4</u>	<u>0.0</u>	<u>1.4</u>
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

MAINEGENERAL HEALTH AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended June 30, 2012 and 2011

12. Retirement Plans (Continued)

The plan's investments measured at fair value using the fair value hierarchy defined in Note 7 are as follows as of June 30:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
2012				
Large cap equity securities	\$24,251,870	\$ —	\$ —	\$24,251,870
Small cap equity securities	4,922,225	—	—	4,922,225
International equity securities	7,714,103	—	—	7,714,103
Limited partnerships	—	7,012,830	—	7,012,830
Fixed income securities	18,760,928	—	—	18,760,928
Global asset allocation fund	12,579,792	—	—	12,579,792
Cash and cash equivalents	4,839,820	—	—	4,839,820
Guaranteed investment contract	—	—	2,882,884	2,882,884
Hedge fund of funds	—	—	7,425,000	7,425,000
Total pension investment	<u>\$73,068,738</u>	<u>\$7,012,830</u>	<u>\$10,307,884</u>	<u>\$90,389,452</u>
2011				
Large cap equity securities	\$21,797,565	\$ —	\$ —	\$21,797,565
Small cap equity securities	5,370,541	—	—	5,370,541
International equity securities	7,632,039	—	—	7,632,039
Limited partnerships	—	8,140,484	—	8,140,484
Fixed income securities	16,089,905	—	—	16,089,905
Global asset allocation fund	12,519,422	—	—	12,519,422
Cash and cash equivalents	1,172,935	—	—	1,172,935
Guaranteed investment contract	—	—	3,090,172	3,090,172
Hedge fund of funds	—	—	7,425,000	7,425,000
Total pension investment	<u>\$64,582,407</u>	<u>\$8,140,484</u>	<u>\$10,515,172</u>	<u>\$83,238,063</u>

The following summarizes changes in the fair value of the defined benefit plan's Level 3 assets:

	<u>Guaranteed Investment Contract</u>	<u>Hedge Fund of Funds</u>	<u>Total Investments</u>
Fair value, July 1, 2011	\$3,090,172	\$7,425,000	\$10,515,172
Purchases	178,355	—	178,355
Sales	<u>(385,643)</u>	<u>—</u>	<u>(385,643)</u>
Fair value, July 1, 2012	<u>\$2,882,884</u>	<u>\$7,425,000</u>	<u>\$10,307,884</u>
Fair value, July 1, 2010	\$3,301,688	\$4,525,000	\$ 7,826,688
Net purchases and sales	<u>(211,516)</u>	<u>2,900,000</u>	<u>2,688,484</u>
Fair value, July 1, 2011	<u>\$3,090,172</u>	<u>\$7,425,000</u>	<u>\$10,515,172</u>

MAINEGENERAL HEALTH AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended June 30, 2012 and 2011

12. Retirement Plans (Continued)

Contributions

Expected contributions to the plan in 2013 are approximately \$7,787,000.

Estimated Future Benefit Payments

Benefit payments are expected to be paid as follows:

2013	\$ 4,819,000
2014	5,149,000
2015	5,569,000
2016	6,030,000
2017	6,347,000
2018 – 2022	38,450,000

Defined Contribution Plan

The Company sponsors a 403(b) defined contribution plan which covers substantially all employees of the Company. Under this plan, the Company makes a matching contribution of 50% of any employee's voluntary pretax contributions up to 6% of eligible compensation

The Company also sponsors a 401(a) defined contribution plan. The 401(a) plan is available to all employees who work 1,000 or more hours per year. Under this plan, the Company makes a core contribution equal to two and one-half percent (2.5%) of eligible compensation earned during the plan year and a supplemental contribution of up to a maximum 9% of eligible compensation to eligible participants that meet certain age and years of service requirements. The plan covers all employees of the Company except MGRNC and MGRC

The Company incurred approximately \$9,351,000 and \$8,814,000 of expenses in 2012 and 2011, respectively, for the 403(b) and 401(a) defined contribution plans.

Deferred Compensation Plan

The Company maintains a 457(b) deferred compensation plan which covers certain key employees of the Company. Under this plan, key employees may elect to supplement their retirement savings through the deferral of a portion of their compensation. This plan is maintained primarily for the purpose of providing deferred compensation for key employees under Section 201 of the Employee Retirement Income Security Act. The Company does not make any contributions to the plan and total assets at June 30, 2012 were approximately \$695,000.

MAINEGENERAL HEALTH AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended June 30, 2012 and 2011

15. Commitments and Contingencies

Various legal claims, generally incidental to the conduct of normal business, are pending or have been threatened against the Company. The Company intends to defend vigorously against these claims. While ultimate liability, if any, arising from any such claim is presently indeterminable, it is management's opinion that the ultimate resolution of these claims will not have a material adverse effect on the financial condition of the Company.

The healthcare industry is subject to numerous laws and regulations of federal, state and local governments. Recently, government activity has increased with respect to investigations and allegations concerning possible violations by healthcare providers of fraud and abuse statutes and regulations, which could result in the imposition of significant fines and penalties as well as significant repayments for patient services previously billed. Compliance with such laws and regulations is subject to government review and interpretations as well as regulatory actions unknown or unasserted at this time.

Operating Leases

The Company is committed under long-term operating leases for the rental of certain property. The leases expire at various dates through 2026. Property rental expenses for the years ended June 30, 2012 and 2011 were approximately \$4,659,000 and \$3,826,000, respectively. At June 30, 2012, the minimum commitments for property leases for the next five years are as follows:

2013	\$ 4,883,000
2014	4,675,000
2015	4,626,000
2016	4,296,000
2017	3,369,000

16. Fair Value of Financial Instruments

The following methods and assumptions were used by the Company in estimating the fair value of its financial instruments:

Cash and Cash Equivalents, Accounts Receivable, Accounts Payable and Accrued Expenses

The recorded amounts reported in the consolidated balance sheets for these accounts approximate their fair values based on their short-term nature.

MAINEGENERAL HEALTH AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended June 30, 2012 and 2011

16. Fair Value of Financial Instruments (Continued)

Investments and Assets Whose Use is Limited or Restricted

These assets consist primarily of interest receivable, investments in money market funds, government securities, mutual funds, collective trusts, corporate debt securities, hedge funds and beneficial interest in perpetual trusts. Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. As such, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the consolidated financial position and operations. Determination of fair value is discussed in Notes 2 and 7.

Long-Term Debt

Fair values of the Company's bonds are based on quoted market prices. At June 30, 2012, the market value of the bonds was approximately \$374,216,000.

17. Functional Expenses

The Company provides health and related services to residents in a primary service area consisting of forty-eight contiguous communities in central Maine. Expenses related to providing these services are as follows for the years ended June 30:

	<u>2012</u>	<u>2011</u>
Health care services	\$ 373,809,177	\$ 367,173,073
General and administrative	<u>51,826,803</u>	<u>38,851,052</u>
	<u>\$ 425,635,980</u>	<u>\$ 406,024,125</u>

**INDEPENDENT AUDITORS' REPORT
ON THE ADDITIONAL INFORMATION**

Board of Trustees
MaineGeneral Health and Subsidiaries

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating information is presented for purposes of additional analysis rather than to present the financial position, results of operations and cash flows of the individual companies and is not a required part of the consolidated 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 consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole



Portland, Maine
September 28, 2012

Limited Liability Company

MAINEGENERAL HEALTH AND SUBSIDIARIES

CONSOLIDATING BALANCE SHEET

June 30, 2012

ASSETS

	<u>MGH</u>	<u>MGMC</u>	<u>HRN</u>	<u>MGRNC</u>	<u>MGRC</u>	<u>Total</u>	<u>Eliminations</u>	<u>Consolidated</u>
Current assets								
Cash and cash equivalents	\$ 2,909,229	\$ 14,474,268	\$ 367,527	\$ 834,641	\$ 1,007,270	\$ 19,592,935	\$ -	\$ 19,592,935
Investments	-	1,328,683	-	682,165	632,447	2,643,295	-	2,643,295
Patient accounts receivable, net	-	37,884,779	2,124,130	1,560,197	-	41,569,106	-	41,569,106
Amounts due from affiliates	5,745,053	628,842	15,718	150	2,901	6,392,664	(6,392,664)	-
Supplies	-	4,005,167	-	-	-	4,005,167	-	4,005,167
Pledges receivable, net	439	9,546,219	7,716	1,081	-	9,555,455	-	9,555,455
Prepaid expenses and other current assets	1,015,759	7,568,685	38,088	77,408	398,489	9,098,429	(643,757)	8,454,672
Total current assets	9,670,480	75,436,643	2,553,179	3,155,642	2,041,107	92,857,051	(7,036,421)	85,820,630
Investments.								
Unrestricted	3,460	27,579,346	1,303,965	16,013	3,172	28,905,956	-	28,905,956
Assets whose use is limited or restricted								
Board-designated								
Funded depreciation	-	-	-	1,637,535	-	1,637,535	-	1,637,535
New hospital	-	47,313,334	-	-	-	47,313,334	-	47,313,334
Other	5,369,821	6,785,692	-	14,043	-	12,169,556	-	12,169,556
Assets held in trust under debt agreements	-	210,412,776	-	630,184	644,236	211,687,196	-	211,687,196
Beneficial interest in perpetual trusts	-	9,951,744	-	-	-	9,951,744	-	9,951,744
Permanently donor-restricted	531,888	4,204,801	85,389	1,084,176	-	5,906,254	-	5,906,254
Temporarily donor-restricted	164,963	15,344,589	85,132	125,559	-	15,720,243	-	15,720,243
Beneficial interest in workers' compensation trust	6,070,132	321,592,282	1,474,486	3,507,510	647,408	333,291,818	-	333,291,818
Total investments and assets whose use is limited or restricted	130,462	1,520,650	246,585	274,610	17,183	2,189,490	-	2,189,490
Pledges receivable, net of current portion	6,200,594	323,112,932	1,721,071	3,782,120	664,591	335,481,308	-	335,481,308
Estimated third-party payor settlements - due from State of Maine	-	11,418,315	-	-	-	11,418,315	-	11,418,315
Property and equipment	277,795	209,251,015	506,330	4,625,470	19,366,146	234,026,756	-	234,026,756
Assets available for sale	-	3,048,001	-	-	-	3,048,001	-	3,048,001
Other assets, net	268,230	8,245,446	47,224	57,137	93,983	8,712,020	(268,230)	8,443,790
Total assets	\$ 16,417,099	\$ 668,512,352	\$ 4,827,804	\$ 11,620,369	\$ 22,165,827	\$ 723,543,451	\$ (7,304,651)	\$ 716,238,800

LIABILITIES AND NET ASSETS

	<u>MGH</u>	<u>MGMC</u>	<u>HRN</u>	<u>MGRNC</u>	<u>MGRC</u>	<u>Total</u>	<u>Eliminations</u>	<u>Consolidated</u>
Current liabilities								
Line of credit	\$ 938,020	\$ —	\$ —	\$ —	\$ —	\$ 938,020	\$ —	\$ 938,020
Accounts payable and accrued expenses	545,209	26,163,936	571,948	621,078	409,997	28,312,168	—	28,312,168
Accrued employee compensation and compensated absences	1,964,625	18,913,056	1,375,086	787,129	90,836	23,130,732	—	23,130,732
Amounts due to affiliates	535,439	5,174,219	337,297	272,364	73,344	6,392,663	(6,392,663)	—
Estimated third-party payor settlements	—	9,863,021	324,767	86,320	—	10,274,108	—	10,274,108
Other current liabilities	3,005,550	16,383,079	669,322	276,804	491,613	20,826,368	—	20,826,368
Current portion of long-term debt	—	5,028,990	4,311	745,855	475,860	6,255,016	(643,819)	5,611,197
Total current liabilities	6,988,843	81,526,301	3,282,731	2,789,550	1,541,650	96,129,075	(7,036,482)	89,092,593
Long-term debt, less current portion	—	313,576,305	73,976	2,601,444	7,670,432	323,922,157	(268,169)	323,653,988
Accrued pension cost	3,222,376	39,805,545	—	—	—	43,027,921	—	43,027,921
Deferred refundable and nonrefundable advance fees	—	—	—	—	13,159,998	13,159,998	—	13,159,998
Other long-term liabilities	1,067,805	2,232,637	21,188	—	443,408	3,765,038	—	3,765,038
Total liabilities	11,279,024	437,140,788	3,377,895	5,390,994	22,815,488	480,004,189	(7,304,651)	472,699,538
Net assets.								
Unrestricted	4,440,785	180,905,896	1,271,672	5,018,559	(649,661)	190,987,251	—	190,987,251
Temporarily restricted	165,402	36,309,123	92,848	126,640	—	36,694,013	—	36,694,013
Permanently restricted	531,888	14,156,545	85,389	1,084,176	—	15,857,998	—	15,857,998
Total net assets	5,138,075	231,371,564	1,449,909	6,229,375	(649,661)	243,539,262	—	243,539,262
Total liabilities and net assets	\$ 16,417,099	\$ 668,512,352	\$ 4,827,804	\$ 11,620,369	\$ 22,165,827	\$ 723,543,451	\$ (7,304,651)	\$ 716,238,800

MAINEGENERAL HEALTH AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF OPERATIONS

Year Ended June 30, 2012

	<u>MGH</u>	<u>MGMC</u>	<u>HRN</u>	<u>MGRNC</u>	<u>MGHA</u>	<u>MGRC</u>	<u>Total</u>	<u>Eliminations</u>	<u>Consolidated</u>
Operating revenue:									
Net patient service revenue	\$ -	\$ 376,544,641	\$ 18,173,087	\$ 19,320,872	\$ -	\$ -	\$ 414,038,600	\$ -	\$ 414,038,600
Other revenue	14,452,691	17,822,667	3,064,659	816,672	-	4,287,573	40,444,262	(14,945,832)	25,498,430
Net assets released from restrictions used for operations	<u>44,097</u>	<u>671,848</u>	<u>6,965</u>	<u>64,973</u>	<u>-</u>	<u>654</u>	<u>788,537</u>	<u>-</u>	<u>788,537</u>
Total operating revenue	14,496,788	395,039,156	21,244,711	20,202,517	-	4,288,227	455,271,399	(14,945,832)	440,325,567
Operating expenses:									
Salaries and wages	8,335,521	157,206,360	12,585,975	9,401,946	-	1,111,916	188,641,718	-	188,641,718
Employee benefits	2,056,397	39,523,849	3,448,671	2,774,749	-	288,313	48,091,979	-	48,091,979
Supplies and other	3,940,878	142,343,506	5,013,341	6,033,747	-	1,677,898	159,009,370	(14,871,117)	144,138,253
Provision for bad debts	-	23,225,217	33,789	(187,644)	-	-	23,071,362	-	23,071,362
Depreciation and amortization	89,634	17,894,222	120,518	665,015	-	1,099,971	19,869,360	-	19,869,360
Interest	<u>74,358</u>	<u>1,285,472</u>	<u>546</u>	<u>148,913</u>	<u>-</u>	<u>388,734</u>	<u>1,898,023</u>	<u>(74,715)</u>	<u>1,823,308</u>
Total operating expenses	<u>14,496,788</u>	<u>381,478,626</u>	<u>21,202,840</u>	<u>18,836,726</u>	<u>-</u>	<u>4,566,832</u>	<u>440,581,812</u>	<u>(14,945,832)</u>	<u>425,635,980</u>
Income from operations	-	13,560,530	41,871	1,365,791	-	(278,605)	14,689,587	-	14,689,587
Nonoperating gains (losses):									
Investment income	38,248	1,094,658	10,755	13,169	-	-	1,156,830	-	1,156,830
Realized gains on investments, net	544,279	4,561,864	142,722	199,006	-	34,013	5,481,884	-	5,481,884
Loss on disposal of property and equipment, net	(1,652)	(111,652)	-	(3,958)	-	-	(117,262)	-	(117,262)
Loss on assets available for sale	-	(23,749,966)	-	-	-	-	(23,749,966)	-	(23,749,966)
Contributions	<u>260</u>	<u>358,456</u>	<u>14,176</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>372,892</u>	<u>-</u>	<u>372,892</u>
Total nonoperating gains (losses), net	<u>581,135</u>	<u>(17,846,640)</u>	<u>167,653</u>	<u>208,217</u>	<u>-</u>	<u>34,013</u>	<u>(16,855,622)</u>	<u>-</u>	<u>(16,855,622)</u>
Excess (deficiency) of revenue over expenses	581,135	(4,286,110)	209,524	1,574,008	-	(244,592)	(2,166,035)	-	(2,166,035)
Change in net unrealized gains (losses) on investments	(666,256)	(6,624,594)	(173,000)	(253,281)	-	(9,210)	(7,726,341)	-	(7,726,341)
Pension-related changes other than net periodic pension cost	(1,419,838)	(18,144,406)	-	-	-	-	(19,564,244)	-	(19,564,244)
Net assets released from restrictions used for capital acquisitions	-	35,535	-	-	-	8,143	43,678	-	43,678
Transfers (to) from affiliates	<u>-</u>	<u>(6,311,120)</u>	<u>-</u>	<u>-</u>	<u>6,311,120</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(Decrease) increase in unrestricted net assets	<u>\$ (1,504,959)</u>	<u>\$ (35,330,695)</u>	<u>\$ 36,524</u>	<u>\$ 1,320,727</u>	<u>\$ 6,311,120</u>	<u>\$ (245,659)</u>	<u>\$ (29,412,942)</u>	<u>\$ -</u>	<u>\$ (29,412,942)</u>

Additional Data

Software ID:
Software Version:
EIN: 32-0265031
Name: MaineGeneral Health and Affiliates

Form 990, Part III - 4 Program Service Accomplishments (See the Instructions)

4d. Other program services					
(Code) (Expenses \$	2,874,509	including grants of \$) (Revenue \$	4,228,255)
MaineGeneral Retirement Community provides various stages of assisted living support to an elderly community. The company provides independent living cottage and lodge units, assisted living units as well as an Alzheimer's unit.					

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)							(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099- MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former				
Peter Alfond Director	1 00	X						0	0	0	
Douglas Boyink MD Director & Chief of Staff	10 00	X						266,417	0	28,755	
Conrad Ayotte Director	2 00	X						0	0	0	
Diane Campbell MD Director	1 00	X						0	0	0	
Scott Bullock President & CEO , MGH	50 00	X		X				0	601,967	223,927	
Stephanie Calkins MD Director & Asst Chief of Staff	1 00	X						24,000	0	1,020	
Douglas Cutchin Director	1 00	X						0	0	0	
Charles Danielson MD MPH Director & President, Medical Staff	1 00	X						0	0	0	
Mark Ford Director	2 00	X						0	0	0	
Peter Guzzetti DO DDS Director & Asst Chief of Staff	1 00	X						27,083	0	0	
Jeffrey Hubert Director	2 00	X						0	0	0	
Robert Marden Esq Director & Chair	2 00	X		X				0	0	0	
Barbara Mayer Director	2 00	X						0	0	0	
Roy Miller MD Director	1 00	X						0	0	0	
Elizabeth Mitchell Esq Director	1 00	X						0	0	0	
Gordon Pow Director	2 00	X						0	0	0	
Tobi Schneider Esq Director	1 00	X						0	0	0	
William Sprague Director & Vice Chair	1 00	X		X				0	0	0	
Douglas Terp Director	2 00	X						0	0	0	
Barbara Woodlee EdD Director	1 00	X						0	0	0	
Charles Hays CEO , MGMC	50 00	X		X				0	312,203	16,874	
Nona Boyink Director, CEO HRN	50 00	X		X				182,896	0	25,255	
Richard Fein DO Director, HRN	1 00	X						0	0	0	
Alicia Forster MD Director, HRN	1 00	X						1,200	0	128	
Michael Griffin MD Director, HRN	13 00	X						0	0	0	

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099- MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
Thomas Keating MD Director, HRN	50 00	X						196,579	0	31,686
Reynerio Sepe Lanoy MD Director, HRN	1 00	X						222,022	0	30,089
Rev Cynthia N Lepley Director, HRN	1 00	X						0	0	0
Elizabeth S Miller Director, HRN	1 00	X						0	0	0
Judith A Plano Esq Director, HRN	1 00	X						0	0	0
James Clair Director, HRN	1 00	X						0	0	0
Danielle D Martin Director, HRN	1 00	X						0	0	0
Pamela J Trinward Director, HRN	1 00	X						0	0	0
Robert Bond Director, MGRC	1 00	X						0	0	0
Mildred Stengel Director, MGRC	1 00	X						0	0	0
Richard Jordan Director, MGRC	1 00	X						0	0	0
Rev William DeWolfe Director, MGRC	1 00	X						0	0	0
Judith Shreiner Director, MGRC	1 00	X						0	0	0
Kenneth Harvey Director, MGRC	1 00	X						0	0	0
Rebecca Colwell Director, MGRC	45 00	X						129,628	0	22,124
Karen Tobias Board Secretary	45 00			X				0	55,438	12,707
Michael Koziol Senior Vice President & CFO	50 00			X				0	283,197	19,107
Anthony Mancini MD Physician	50 00					X		973,700	0	45,063
Jose Ramirez MD Physician	50 00					X		633,224	0	39,447
Marc Golden MD Physician	50 00					X		611,207	0	38,977
Bruce Gomberg MD Physician	50 00					X		607,022	0	37,575
John Thaller MD Physician	50 00					X		515,301	0	39,195