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DLN: 93493135075103

Form **990** 

Department of the Treasury

### **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)

2011

OMB No 1545-0047

Open to Public

	Revenue					Inspection	
		2011 calendar year, or tax year beginning 07-01-2011  C Name of organization	and ending 06-30-201	2	D Employer	identification number	
_	eck ıf a <sub>l</sub> dress ch	MOTHER FRANCES HOSPITAL - JACKSONVILLE			75-1976		
_	me chai	Doing Business As		—	E Telephone		
_					(903)53	1-5764	
_	ıal retui	1315 DOCTORS DRIVE	o street address) Room/s	uite		pts \$ 37,803,409	
_	mınated			_			
_	ended i	TYLER, TX 75701					
App	olication	pending					
		F Name and address of principal officer BRAYTHOMPSON			s a group ret		
		910 E HOUSTON SUITE 500		affilia	tes?	⊤Yes 🔽 No	
		TYLER,TX 75702		H(b) Are all	affiliates inc	luded?	
. т.	v ovom	ent status				ist (see instructions)	
		pt status	1/(a)(1) or   52/	H(c) Grou	p exemption	number ►	
W	ebsite	∷► WWW TMFHS ORG					
<b>(</b> Forr	n of org	ganization 🔽 Corporation 🗆 Trust 🗀 Association 🗀 Other 🕨		<b>L</b> Year of for	mation 2000	M State of legal domicile TX	
Pa	rt I	Summary					
Activities & Governance	1	Briefly describe the organization's mission or most signifi TO PROVIDE THE COMMUNITY WITH A FULL RANGE TO RACE, CREED, SEX, NATIONAL ORIGIN, HANDICA	OFCOMPREHENSIV		RE SERVICE	S WITHOUT REGARD	
5	-	Check this box ► if the organization discontinued its op	parations or disposed	of more than 2	5% of its no	t accotc	
5		Uneck this box 🖣 — If the organization discontinued its of Number of voting members of the governing body (Part V			5% of its ne	1	
<b>ŏ</b> ⊘		Number of independent voting members of the governing					
		Fotal number of individuals employed in calendar year 20			5		
Ş		Fotal number of volunteers (estimate if necessary)			6		
1	7a 1	Total unrelated business revenue from Part VIII, column	(C), line 12		7:	a (	
	ь	Net unrelated business taxable income from Form 990-T	, line 34		7	<b>b</b> (	
				Prio	r Year	Current Year	
_	8	Contributions and grants (Part VIII, line 1h)			C	0	
Revenue	9	Program service revenue (Part VIII, line 2g)		37,733,895	37,803,399		
eye:	10	Investment income (Part VIII, column (A), lines 3, 4, a	and 7d)		C	0	
Ξ.	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c,		46,821	10		
	12	Total revenue—add lines 8 through 11 (must equal Par 12)		e	37,780,716	37,803,409	
	13	Grants and similar amounts paid (Part IX, column (A),			946,111	1,010,437	
	14	Benefits paid to or for members (Part IX, column (A), li	ne 4)		С	0	
<b>.</b>	15	Salaries, other compensation, employee benefits (Part	IX, column (A), lines		0.560.354	0.002.040	
Expenses		5-10)			9,569,354	+	
<u>₹</u>	16a 	Professional fundraising fees (Part IX, column (A), line	11e)		С	0	
五	b	Total fundraising expenses (Part IX, column (D), line 25) ▶0	446.04.)		25 172 023	25.440.456	
	17	Other expenses (Part IX, column (A), lines 11a-11d,			25,172,933 25,418,4		
	18 19	Total expenses Add lines 13-17 (must equal Part IX, Revenue less expenses Subtract line 18 from line 12			2,092,318		
	1.5	Revenue less expenses Subtract fine 10 non fine 12	<u> </u>	Beginning	of Current		
မ်ား ကြောင်း					ear	End of Year	
net Assets or Fund Balances	20	Total assets (Part X, line 16)			23,941,694	34,548,586	
<u> </u>	21	Total liabilities (Part X, line 26)			11,431,023		
	22	Net assets or fund balances Subtract line 21 from line	20		12,510,671	14,082,238	
	rt II	Signature Block					
inow inow	ledge a ledge.	ties of perjury, I declare that I have examined this return, including the second complete. Declaration of proceedings of the second complete of the second comp		er) is based on a	all information		
Here	е	JOYCE HESTER CFO					
Paid		Preparer's signature Amanda Maya		Check if self-	Preparer's ta: (see instructi	xpayer identification number ons)	
	arer's	Firm's name (or yours BKD LLP if self-employed),	1	•	EIN Þ		
Jse (	Only	address, and ZIP + 4 2800 Post Oak Blvd Ste 3200					
		HOUSTON, TX 77056			Phone no 🕨	(713) 499-4600	
		, -					

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

		,				r age =
Pa	rt III	Statement of Program S Check if Schedule O contains a				
1	Briefl	y describe the organization's mi	ssion			
		DE THE COMMUNITY WITH A F X, NATIONAL ORIGIN, HANDI			THCARE SERVICES WITH	OUT REGARD TO RACE,
2		ne organization undertake any sig rior Form 990 or 990-EZ?			which were not listed on	┌ Yes ┌ No
	If "Ye	s," describe these new services	on Schedule O			
3	servi	ne organization cease conducting ces?		nges in how it con	ducts, any program · · · · · · ·	┌ Yes ┌ No
	If "Ye	s," describe these changes on S	chedule O			
4	exper	The the organization's program s uses Section 501(c)(3) and 501 s and allocations to others, the t	(c)(4) organizations and	section 4947(a)(:	1) trusts are required to rep	
4a	(Code	e ) (Expenses \$	30,241,534 inclu	ling grants of \$	1,010,437 ) (Revenue \$	37,803,399 )
	SERV PROF AGEN SCRE	HOSPITAL'S OPERATING PLAN INCORPORICES OUR COMMITMENT TO OUR COMMITMENT TO OUR COMMITMENT TO OUR COMMITMENT FEES FOR PACIES SPECIFIC COMMUNITY SERVICES ENING PROGRAMS, SENIOR CITIZEN HEONS WITH SPECIAL PHYSICAL OR MENT	MUNITY EXTENDS TO FREE OR RTICIPANTS IN GOVERNMENT I AND PROGRAMS INCLUDE WE ALTH AWARENESS PROGRAMS,	SUBSIDIZED INDIVIDU PROGRAMS, COMMUN ELLNESS AND PREVEN	JAL CARE, SUBSIDIZED EDUCATIO ITY HEALTH EDUCATION AND DON TION EDUCATION PROGRAMS, CO	N OF HEALTHCARE NATIONS TO OTHER COMMUNITY MMUNITY DIAGNOSTIC
4b	(Code	e ) (Expenses \$	ınclud	ing grants of \$	) (Revenue \$	)
<b>4</b> c	(Code	e ) (Expenses \$	ınclud	ing grants of \$	) (Revenue \$	)
4d	O+b.	er program services (Describe ii	Schedule O \			
⊤u		enses \$	including grants of \$		) (Revenue \$	)
4e		I program service expenses +\$	30,241,534			·

art IV	Chec	list of	Peguired	Schedules

Form	990 (2011)			Page <b>3</b>
Par	t IV Checklist of Required Schedules			
			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A	1	Yes	
2	Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)?	2		Νo
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I	3		No
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II	4	Yes	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III	5		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part 1	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," complete Schedule D, Part II	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III	8		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV.	9		No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If</i> "Yes," complete Schedule D, Part V	10		No
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			
а	Did the organization report an amount for land, buildings, and equipment in Part X, line10? If "Yes," complete Schedule D, Part VI.	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII.	11b		No
	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII.	11c		No
	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX.	11d	Yes	
е	Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X.	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X.	11f		No
12a	Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII	12a		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional	12b	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(II)? If "Yes," complete Schedule E	13		No
	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
Ь	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Part I	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U S? If "Yes," complete Schedule F, Part II and IV	15		No
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U S ? If "Yes," complete Schedule F, Part III and IV	16		No
17	Did the organization report a total of more than \$15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and $11e^7$ If "Yes," complete Schedule G, Part I	17		N o
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		No
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	19		N o
20a	Did the organization operate one or more hospitals? If "Yes," complete Schedule H	20a	Yes	
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? <b>Note.</b> All Form 990 filers that operated one or more hospitals must attach audited financial statements	20b	Yes	

Par	t 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? If "Yes," complete Schedule I, Parts I and II	21	Yes	
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III	22		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J	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? If "Yes," answer questions 24b-24d and complete Schedule K. If "No," go to line 25	24a		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
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		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part $I$	25a		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? If "Yes," complete Schedule L, Part 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? If "Yes," complete Schedule L, Part II	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? If "Yes," complete Schedule L, Part III	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)			
а	A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part			
	IV	28a		No
	A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	28b		No
С	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</i> "Yes," complete Schedule L, Part IV	28c		No
29	Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II	32		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? If "Yes," complete Schedule R, Part I	33		No
34	Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1	34	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 $512(b)(13)$ ? If "Yes," complete Schedule R, Part V, line 2	35b		No
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2	36		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? If "Yes," complete Schedule R, Part VI	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19?	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		. [고	
			Yes	No
а	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable			
ь	Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable			
ט	<b>1b</b> 0			
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable	1c	Yes	
a	gaming (gambling) winnings to prize winners?	10	165	
-	Statements filed for the calendar year ending with or within the year covered by this			
L	return			
ט		2b	Yes	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)			
1	Did the organization have unrelated business gross income of \$1,000 or more during the	3a		No
b	year?	3b		INO
,	At any time during the calendar year, did the organization have an interest in, or a signature or other authority	35		
-	over, a financial account in a foreign country (such as a bank account or securities	4a		
<b>L</b>	account)?	40		Νo
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			
	See manactions for iming requirements for Form 1D F 30-22 1, Report of Foreign Bank and Financial Accounts			
1	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? $\cdot$ .	5a		Νo
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b		Νo
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?			
		5c		
3	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		Νo
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts			
	were not tax deductible?	6b		
	Organizations that may receive deductible contributions under section 170(c).	_		
а	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		Νo
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to			
	file Form 8282?	7c		No
d	If "Yes," indicate the number of Forms 8282 filed during the year			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit			
_	contract?	7e		No
	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		
	<b>Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> 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		
	Sponsoring organizations maintaining donor advised funds.			
	Did the organization make any taxable distributions under section 4966?	9a		
	Did the organization make a distribution to a donor, donor advisor, or related person?	9b		
	Section 501(c)(7) organizations. Enter			
	Initiation fees and capital contributions included on Part VIII, line 12 10a  Grees receipts uncluded on Form 990. Part VIII, line 12 for public use of club.			
ט	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities			
L	Section 501(c)(12) organizations. Enter			
а	Gross income from members or shareholders			
b	Gross income from other sources (Do not net amounts due or paid to other			
	sources against amounts due or received from them )			
	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			
3	year  Section 501(c)(29) qualified nonprofit health insurance issuers.			
	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			
C	Enter the aggregate amount of reserves on hand 13c			
la	Did the organization receive any payments for indoor tanning services during the tax year?	14a		Νo
	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O	14b		

**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.

Se	ection A. Governing Body and Management					
			Yes	No		
4_						
1a	Enter the number of voting members of the governing body at the end of the tax year					
b	Enter the number of voting members included in line 1a, above, who are independent					
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		No		
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	Yes			
4	4		No			
5	filed?  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	Yes	110		
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or		1 00			
	more members of the governing body?	7a	Yes			
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	Yes			
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following					
а	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						
	ection B. Policies (This Section B requests information about policies not required by the Internal					
Re	evenue Code.)					
			Yes	No		
	Did the organization have local chapters, branches, or affiliates?	10a		No		
Ь	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			
С	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?					
а	The organization's CEO, Executive Director, or top management official	15a	Yes			
b	Other officers or key employees of the organization	15b	Yes			
	If "Yes," to line 15a or 15b, describe the process in Schedule O (see instructions)					
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		No.		
h	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				
Se	ection 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)					

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

☐ O wn website ☐ A nother's website ☑ U pon 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 ► MOTHER FRANCES HOSP ACCTG DE 1315 DOCTORS DRIVE

TYLER,TX 75701

(903) 531-5764

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

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

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

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

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

◆ List all of the organization's former directors or trustees that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations

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

<b>(A)</b> Name and Title	(B) A verage hours per week (describe	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-	(E) Reportable compensation from related organizations (W- 2/1099-	(F) Estimated amount of other compensation from the organization	
	hours for related organizations in Schedule O)	Individual trustiee or director	Institutional Trustee	Officei	Key employee	Highest compensated employee	Former	MISC)	MISC)	and related organizations	
(1) MATTHEW A VIERKANT MD DIRECTOR	40 0	х							515,661	12,813	
(2) RAY THOMPSON SYS EXEC/VP/CEO/DIRECTOR	5 0	х		х				0	1,501,469	546,683	
(3) GLEN T HAMILTON DIRECTOR/VICE CHAIR	1 0	х		х				0	0	0	
(4) WILLIAM MILAWSKI MD DIRECTOR	40 0	х						0	241,289	11,555	
(5) DICK STONE DIRECTOR	1 0	х						0	0	0	
(6) RANDY GORHAM DIRECTOR	1 0	Х						0	0	0	
(7) THOMAS N CAMMACK JR CEO/SECRETARY/TREASURER	40 0			Х				287,283		15,342	
(8) MICHAEL LEWIS COO	40 0			х				127,185	0	11,952	
(9) JOYCE HESTER SYSTEM VP, FINANCE, CFO	5 0			х				0	229,601	12,196	
(10) J LINDSEY BRADLEY JR SYSTEM PRESIDENT/DIRECTOR	1 0			х				0	1,705,258	18,259	
(11) PAM VUKOVICH INTERIM CFO	5 0			х				0	0	0	
(12) BARRY L THIBODEAUX CRNA	40 0					х		240,483	0	9,274	
(13) JACK CAPPS CRNA	40 0					х		234,025	0	16,654	
(14) BEN BEATHARD ECC NURSE	40 0					х		102,350	0	9,232	
(15) KLEANTHE CARUSO CNO	40 0					х		119,505	0	4,464	
(16) WILLIAM BELLENFANT SR SR VP/CFO/DIRECTOR/TREASURER	0 0						х	0	2,149,403	2,234	

PO BOX 5744

\$100,000 of compensation from the organization  $\blacktriangleright$ 5

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

(A) Name and Title		hours more than one box, comper unless person is both week an officer and a director/trustee) 2/							Rep comp fro organi	(D) ortable ensation m the zation (W- 9-MISC)	(E) Reportable compensatior from related organizations (W- 2/1099-	Reportable ompensation from related organizations W- 2/1099-		(F) Estimated amount of other compensation from the organization and related	
		for related organizations in Schedule O)	Individual trustee or director	Institutional Trustee	Officei	Ke, emplojee	Highest compensated employee	Former			MISC)		relat organiza		
								<u> </u>							
								_							
								<u> </u>				_			
												+			
												+			
												-			
1b	Sub-Total		<u> </u>	<u>.                                    </u>	<u> </u>	<u> </u>		<u> </u> ▶				1			
С	Total from continuation sheets							<b>&gt;</b>							
<u>d</u> 2	Total (add lines 1b and 1c) .  Total number of individuals (incl \$100,000 of reportable compens	udıng but not lın	nited to	thos	e lıs		above	) who	receive	1,110,831 ed more tha	6,342,6 n	81		670,658	
													Yes	No	
3	Did the organization list any <b>form</b> on line 1a? <i>If</i> "Yes," complete Sch				ee, k	ey e	mploy •	ee, o	rhighes	t compens	ated employee	3	Yes		
4	For any individual listed on line 1 organization and related organization and related organization.														
5	Did any person listed on line 1a	receive or accri	e comi	• oensa	• ation	• ı fror	n anv	• unrel	• • lated ord	anızatıon o	r individual for	4	Yes		
-	services rendered to the organiz								_			5		No	
	ection B. Independent Con														
1	Complete this table for your five \$100,000 of compensation from or within the organization's tax y	the organizatio													
	Nan	(A) ne and business ad	dress							Descr	(B) option of services		(C Comper		
CARDIAC IMAGING SERVICES 1737 DOMINION PLAZA TYLER, TX 75703 CARDIAC IMAGING CARDIAC IMAGING										·	353,310				
COMF 3100	PLETERX LTD S GEENER RD STON, TX 77063									PMARMACY S	SERVICES			329,240	
PO BO	ENS MEDICAL SOLUTIONS DX 120001 AS, TX 75312									SOFTWARE N	1AINTENANCE			323,271	
3750	FUSION SOLUTIONS LLC TORREY VIEW CT DIEGO, CA 92130									MEDICAL SEF	RVICES			261,542	
	TONE PERSONNEL SERVICES INC									CONTRACT	TAFFING			211 400	

2 Total number of independent contractors (including but not limited to those listed above) who received more than

CONTRACT STAFFING

211,499

Page 9 Part VIII Statement of Revenue									
Part v	<b>/</b>	Statement o	or Revenue		<b>(A)</b> Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512,513,or 514	
報告	1a	Federated cam	paigns 1a						
	Ь	Membership du	es <b>1b</b>						
<u>%</u> ₩	C	Fundraising eve	ents 1c						
<u>≅</u> ,≅	d		zations 1d						
ξĒ	e	Government grants	s (contributions) 1e						
ntio er s	f	All other contribution similar amounts no	ons, gifts, grants, and <b>1f</b> ot included above						
ē€.	g	Noncash contri	butions included in						
Contributions, gifts, grants and other similar amounts			s 1a-1f	<b>.</b>	o				
ပ္က	h	Iotal. Add lines	5 1 d - 11		o				
Ee	2a	NET PATIENT REVE	-NI IF	Business Code 621110	35,086,481	35,086,481			
evel evel	Ь	UPL MEDICAID REV		900099	1,757,064	1,757,064			
Program Service Revenue		EHR INCENTIVE RE		900099	225,074	225,074			
	d	PHARMACY REVEN		446110	623,044	623,044			
æ	e	RENTAL REVENUE	- PROGRAM SERVICE	532000	98,164	98,164			
Jran	f	All other progra	am service revenue		13,572	13,572			
Š		Total Add lines	s 2a-2f						
	g 3		ome (including dividen		37,803,399				
			aramounts)		0				
	4	Income from inves	stment of tax-exempt bond	proceeds 🕨	0				
	5	Royalties			0				
		C	(ı) Real	(II) Personal					
	6a   b	Gross rents Less rental							
		expenses Rental income							
		or (loss)							
	d	Net rental incol	me or (loss)  (i) Securities	(II) Other					
	7a	Gross amount	(i) Securities	(II) O CITE!					
		from sales of assets other							
	Ь	than inventory Less cost or							
		other basis and sales expenses							
	C	Gain or (loss)							
	d	Net gain or (los		▶	0				
Φ	8a	events (not inc	rom fundraısıng ludıng						
Other Revenue		\$	 s reported on line 1c)						
ě		See Part IV, lin							
7	l <u>.</u>		a						
Ě	b   с		penses <b>b</b> (loss) from fundraising	events -	o				
_	9a		rom gaming activities						
		See Part IV, lin	ne 19						
	Ь	Lace direct ov	penses b						
			penses <b>b</b> (loss) from gamıng actı		o	İ			
	10a	Gross sales of returns and allo	inventory, less owances .						
	Ь	less cost of a	a oods sold b						
	c		(loss) from sales of inv	L entory ►	o				
		Miscellaneous		Business Code					
	11a	MEDICAL REC	ORDS FEES	900099	10			10	
	ь								
	С								
	d	All other reven							
	e	iotal. Add lines	s 11a-11d		10				
	12	Total revenue.	See Instructions .	▶	37,803,409	37,803,399		10	

#### 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

(B)

	o not include amounts reported on lines 6b, o, 8b, 9b, and 10b of Part VIII.		( <b>B</b> ) Program service expenses	(C) Management and general expenses	( <b>D</b> ) Fundraising expenses
1	Grants and other assistance to governments and organizations in the United States See Part IV, line 21	1,010,437	1,010,437		
2	Grants and other assistance to individuals in the United States See Part IV, line 22	0			
3	Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16	0			
4	Benefits paid to or for members	0			
5	Compensation of current officers, directors, trustees, and key employees	441,762		441,762	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7	Other salaries and wages	7,373,967	6,366,389	1,007,578	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	0			_
9	Other employee benefits	1,987,220	1,645,419	341,801	
10	Payroll taxes	0			
11	Fees for services (non-employees)				
a	Management	411,568	21,996	389,572	
ь	Legal	0			
c	Accounting	0			
d	Lobbying	0			
e	Professional fundraising See Part IV, line 17	0			
f	Investment management fees	0			
g	Other	11,539,671	10,547,919	991,752	
12	Advertising and promotion	29,752		29,752	
13	Office expenses	112,033	58,894	53,139	
14	Information technology	6,996	5,229	1,767	
15	Royalties	0			
16	Occupancy	2,579,911	384,091	2,195,820	
17	Travel	2,622	2,044	578	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	7,311	4,764	2,547	
20	Interest	0			
21	Payments to affiliates	0			
22	Depreciation, depletion, and amortization	438,077		438,077	
23	Insurance	47,605		47,605	
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	BAD DEBT EXPENSE	6,750,366	6,750,366		0
b	MEDICAL SUPPLIES	2,761,251	2,728,774	32,477	
c	FOOD	104,270	101,241	3,029	
d	REPAIRS AND MAINTENANCE	572,596	568,795	3,801	
e					
f	All other expenses	54,427	45,176	9,251	
25	Total functional expenses. Add lines 1 through 24f	36,231,842	30,241,534	5,990,308	0
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				rm <b>990</b> (2011)

Part X **Balance Sheet** (A) (B) Beginning of year End of year 118.507 38,333 1 1 0 0 2 2 Savings and temporary cash investments . . . . . . . 0 0 3 3 4.311.646 4.588.047 4 5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of 0 0 5 6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of 0 0 6 0 7 0 158.986 8 170.953 9 104,529 197,308 Prepaid expenses and deferred charges . . . . . . 10a 9,660,106 Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D 10a 10b 8,219,634 b Less accumulated depreciation . . . . . 1,069,104 **10c** 1,440,472 11 0 11 0 12 0 12 Investments—other securities See Part IV, line 11 . . . . . . 13 0 13 0 Investments—program-related See Part IV, line 11 . . 0 14 14 18,178,922 15 28,113,473 15 23,941,694 34,548,586 16 Total assets. Add lines 1 through 15 (must equal line 34) . . . 16 1,639,796 17 2,137,460 17 Accounts payable and accrued expenses . 18 0 18 0 19 0 19 0 20 0 20 0 21 0 21 0 Escrow or custodial account liability Complete Part IV of Schedule D . . Liabilities 22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified 0 0 22 0 0 23 Secured mortgages and notes payable to unrelated third parties . . . 23 0 24 Unsecured notes and loans payable to unrelated third parties . . . . 24 0 25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule 9,791,227 25 18,328,888 D . . . . 26 11,431,023 26 20,466,348 **Total liabilities.** Add lines 17 through 25 . . . . . Organizations that follow SFAS 117, check here ▶ 🔽 and complete lines 27 Balances through 29, and lines 33 and 34. 27 12,510,671 27 14,082,238 Unrestricted net assets . . . . 0 28 0 28 Temporarily restricted net assets . . . . . Fund 29 0 29 0 Permanently restricted net assets . . . . . Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 30 through 34. ö 30 Capital stock or trust principal, or current funds . . . . . . . . . 30 Assets 31 31 Paid-in or capital surplus, or land, building or equipment fund . . . . . 32 32 Retained earnings, endowment, accumulated income, or other funds ¥ 33 Total net assets or fund balances . . . . . 12.510.671 33 14.082.238 34 Total liabilities and net assets/fund balances . . . . . 23,941,694 34,548,586

Pa	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		37,8	803,40
2	Total expenses (must equal Part IX, column (A), line 25)	2		36,2	231,84
3	Revenue less expenses Subtract line 2 from line 1	3		1,5	571,56
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4		12,	510,67
5	Other changes in net assets or fund balances (explain in Schedule O)	5			
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		14,0	082,23
Pai	rt XII Financial Statements and Reporting				
	Check if Schedule O contains a response to any question in this Part XII			୮	•
				Yes	No
1	Accounting method used to prepare the Form 990				
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		2a		No
b	Were the organization's financial statements audited by an independent accountant?		2b	Yes	
c	If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of 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				
	Schedule O		2c	Yes	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were on a separate basis, consolidated basis, or both	ıssued			
	Separate basis Consolidated basis Both consolidated and separated basis				
За	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?	ne	3a		No
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the	required	3b		

#### OMB No 1545-0047

Inspection

#### **SCHEDULE A**

(Form 990 or 990EZ)

Department of the Treasury Internal Revenue Service

Name of the organization

MOTHER FRANCES HOSPITAL - JACKSONVILLE

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

**Public Charity Status and Public Support** 

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

**Employer identification number** 

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) 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). 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 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) A federal, state, or local government or governmental unit described in section 170(b)(1)(A)(v). 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 ) A community trust described in section 170(b)(1)(A)(vi) (Complete Part II) An organization that normally receives (1) more than 331/3% 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 331/3% 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 Seesection 509(a)(4). 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 c Type III - Functionally integrated Type III - Other Type I **b** Type II 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)

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

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	organizati col (i) list your gove docume	Tc tha		(v) Did you notify the organization in col (i) of your support?  Yes No		(vi) Is the organization in col (i) organized in the US?		
		instructions))	Yes	No	Yes	No	Yes	No		
Total										

instructions

Sch	edule A (Form 990 or 99	90-EZ)2011						Page <b>2</b>
	(Complet	e only if you	checked the	box on line 5,	7, or 8 of Part	<b>(b)(1)(A)(iv)</b> I or if the orgar	nızatıon faıle	d to qualify
			<u>organızatıon f</u>	fails to qualify ι	<u>under the tests</u>	listed below, pl	<u>lease comple</u>	ete Part III.)
	ection A. Public Su					Т	1	
Cal	endar year (or fiscal ye in)	ar beginning	<b>(a)</b> 2007	<b>(b)</b> 2008	<b>(c)</b> 2009	(d) 2010	(e) 2011	( <b>f</b> ) Total
1	Gifts, grants, contribut	ions, and						
	membership fees recei							
	ınclude any "unusual							
_	grants ") Tax revenues levied fo	rtho						
2	organization's benefit a							
	paid to or expended on							
	behalf							
3	The value of services of							
	furnished by a governme the organization withou							
4	Total. Add lines 1 thro	_						
5	The portion of total cor	-						
-	by each person (other	than a						
	governmental unit or p	•						
	supported organization line 1 that exceeds 2%							
	amount shown on line 1							
	(f)	21,0014						
6	Public Support. Subtractine 4	ct line 5 from						
S	ection B. Total Sup	port						
Cal	<b>endar year</b> (or fiscal yea	r beginning	<b>(a)</b> 2007	<b>(b)</b> 2008	<b>(c)</b> 2009	(d) 2010	<b>(e)</b> 2011	(f) Total
_	ın)	_	(4) 2007	(2) 2000	(4) 2005	(4) 2020	(0) 2022	(1) 1 3 4 4
7 8	A mounts from line 4 Gross income from inte	rost –						
0	dividends, payments re							
	securities loans, rents							
	and income from simila	ır						
_	sources							
9	Net income from unrela business activities, wh							
	not the business is reg							
	carried on							
10	Other income (Explain							
	IV ) Do not include gai from the sale of capital							
11	Total support (Add line							
	through 10)							
12	Gross receipts from re	lated activities	s, etc (See inst	ructions )			12	
13	First Five Years If the		r the organizati	on's first, second	l, thırd, fourth, or	fıfth tax year as a	501(c)(3) or	
	check this box and <b>sto</b>	p here						<b>▶</b> □
S	ection C. Computat	ion of Publ	ic Support F	Percentage				
14	Public Support Percen	tage for 2011	(line 6 column	(f) dıvıded by lıne	11 column (f))		14	
15	Public Support Percen	tage for 2010	Schedule A , Pa	rt II, line 14			15	
16a	33 1/3% support test-					line 14 is 33 1/3%	% or more, che	
h	and <b>stop here.</b> The org  33 1/3% support test					6a and line 15 is	33 1/20% or m	ore check this
D	box and <b>stop here.</b> The					oa, and inte 15 IS	1/3%0 UI M	ore, check this
17a	10%-facts-and-circum	-	•		-	ne 13, 16a, or 16	b and line 14	٠,
	ıs 10% or more, and ıf							
	in Part IV how the orga	anızatıon meet	s the "facts and	d circumstances"	test The organiz	zatıon qualıfıes as	a publicly su	
b	organization 10%-facts-and-circum	stances test—	<b>2010.</b> If the ora	anization did not	check a hov on li	ne 13, 16a 16b	or 17a and lin	<b>▶</b> □
,	15 is 10% or more, an							-
	Explain in Part IV how	the organizati						
10	supported organization  Private Foundation If t		n did not chools	a hov on line 12	16a 16h 17a a	or 17h chack this	hov and coc	<b>►</b> □

**▶**□

Schedule A (Form 990 or 990-EZ) 2011 Page 3 Part 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 (a) 2007 **(b)** 2008 (c) 2009 (d) 2010 (e) 2011 (f) Total ın) Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ") 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 Gross receipts from activities that are not an unrelated trade or business under section 513 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf The value of services or facilities furnished by a governmental unit to the organization without charge Total. Add lines 1 through 5 7a Amounts included on lines 1, 2, and 3 received from disqualified persons 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 Public Support (Subtract line 7c from line 6) Section B. Total Support Calendar year (or fiscal year beginning (a) 2007 **(b)** 2008 (c) 2009 (d) 2010 (e) 2011 (f) Total ın) Amounts from line 6 Gross income from interest, 10a dividends, payments received on securities loans, rents, royalties and income from similar sources Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 Add lines 10a and 10b C Net income from unrelated 11 business activities not included in line 10b, whether or not the business is regularly carried on Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV) Total support (Add lines 9, 10c, 13 11 and 12) 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 Public Support Percentage for 2011 (line 8 column (f) divided by line 13 column (f)) 15 15 Public support percentage from 2010 Schedule A, Part III, line 15 16 16 Section D. Computation of Investment Income Percentage

Investment income percentage for 2011 (line 10c column (f) divided by line 13 column (f))

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

18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization Private Foundation If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions

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

more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization

Investment income percentage from 2010 Schedule A, Part III, line 17

17

18

17

18

**▶**[

Part IV	<b>Supplemental Information.</b> 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 A (Form 990 or 990-EZ) 2011

DLN: 93493135075103

OMB No 1545-0047

#### SCHEDULE C (Form 990 or 990-EZ)

Department of the Treasury Internal Revenue Service

For Organizations Exempt From Income Tax Under section 501(c) and section 527 ► Complete if the organization is described below.

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

Political Campaign and Lobbying Activities

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

- ◆ 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

Provide a description of the organization's direct and indirect political campaign activities on behalf of or

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

in opposition to candidates for public office in Part IV

Name of the organization	
MOTHER FRANCES HOSPITAL - JACKSONVILLE	

Employer identification number

75-1976930

Part I-A	Complete if	the organization is	<u>s exempt under se</u>	ction 501(c)	or is a section 5:	<u>27 organization.</u>

- Political expenditures Volunteer hours
- Part I-B Complete if the organization is exempt under section 501(c)(3).
- Enter the amount of any excise tax incurred by the organization under section 4955
- 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?
- Was a correction made?
- If "Yes," describe in Part IV

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

- Enter the amount directly expended by the filing organization for section 527 exempt function activities
- 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
- Did the filing organization file Form 1120-POL for this year? Yes 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	<b>(c)</b> EIN	(d) A mount paid from filing organization's funds If none, enter -0-	(e) A mount of political contributions received and promptly and directly delivered to a separate political organization If none, enter - 0 -

**f** Grassroots lobbying expenditures

(The term "expenditures" means amounts paid or incurred.)  Lia 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  If the amount on line 1e, column (a) or (b) is:  The lobbying nontaxable amount is:  Not 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 \$1,000,000 but not over \$1,000,000 \$1,000,000  g Grassroots nontaxable amount (enter 25% of line 1f)  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?  4-Year Averaging Period Under Section 501(h)  (Some organizations that made a section 501(h) election do not have to complete all columns below. See the instructions for lines 2a through 2f on page 4.)	ווטפ	edule C (F	01111 9 9 0 01 9 9 0 - EZ ) 2 0 1 1					Page <b>∠</b>
A Check   If the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member expenses, and share of excess lobbying expenditures)    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.)   Organization Total Incurred (The term "expenditures" means amounts paid or incurred.)	Pa	rt II-A		n is exempt under	section 501(	c)(3) and fi	iled Form 5768	(election
expenses, and share of excess lobbying expenditures)  Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)  Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)  Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)  Limits on Lobbying Expenditures (The term "expenditures to influence public opinion (grass roots lobbying)  Lobbying expenditures to influence a legislative body (direct lobbying)  Total lobbying expenditures (add lines 1a and 1b)  Other exempt purpose expenditures  Total obtaining purpose expenditures (add lines 1c and 1d)  Lobbying nontaxable amount Enter the amount from the following table in both columns  If the amount on line 1e, column (a) or (b) is:  If the amount on line 1e, column (a) or (b) is:  If the amount on line 1e, column (a) or (b) is:  Not over \$500,000 but not over \$1,000,000  Over \$1,000,000 but not over \$1,000,000  Over \$1,000,000 but not over \$1,500,000  S1,000,000 but not over \$1,500,000  Over \$1,000,000 but not over \$1,500,000  Over \$1,000,000 but not over \$1,500,000  S1,000,000 but not over \$1,500,000  Over \$1,000,000 but not over \$1,500,000  S1,000,000 but not over \$1,500,000  S1,000,000 but not over \$1,500,000  Over \$1,000,000 but not over \$1,500,000  S1,000,000 but not over \$1,500,000  S1,000,000 but not over \$1,500,000  Over \$1,000,000 but not over \$1,500,000  S1,000,000 but not over \$1,500,000  S1,000 but not over \$1,500,000  S1	١	Check		an affiliated group (and	lıst ın Part IV ea	ch affiliated gr	oup member's nam	e, address, EIN,
Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)  Total lobbying expenditures to influence public opinion (grass roots lobbying)  Total lobbying expenditures (add lines 1 aand 1b)  Other exempt purpose expenditures (add lines 1 aand 1b)  Lobbying nontaxable amount Enter the amount from the following table in both columns  If the amount on line Le, column (a) or (b) is:  If the amount on line Le, column (a) or (b) is:  Not over \$500,000  Over \$500,000 but not over \$1,000,000  Over \$1,000,000 but not over \$1,000,000  Over \$1,000,000 but not over \$1,000,000  Over \$1,000,000 but not over \$1,000,000  S10,000,000  Over \$1,000,000 but not over \$1,000,000  S10,000,000  Fig. Soon over \$1,000,000  Fig. Soon ov			expenses, and share of excess lob	bying expenditures)		_	•	
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  If the amount on line 1e, column (a) or (b) is:  Not over \$500,000  Diver \$500,000  Diver \$500,000  Diver \$500,000 but not over \$1,000,000  Diver \$1,000,000 but not over \$1,000,0	3	Check	ıf the filing organization checked bo	ox A and "limited contro	ol" provisions app	ly	1	1
(The term "expenditures" means amounts paid or incurred.)  Ital Total lobbying expenditures to influence public opinion (grass roots lobbying)  b 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  If the amount on line 1e, column (a) or (b) is:  The lobbying nontaxable amount is:  Not over \$500,000  Over \$500,000 but not over \$1,000,000  Over \$1,000,000 but not over \$1,000,000  S1225,000 plus 10% of the excess over \$1,000,000  Over \$1,000,000 but not over \$1,000,000  S1225,000 plus 10% of the excess over \$1,000,000  Over \$1,000,000 but not over \$1,000,000  S1200,000 plus 10% of the excess over \$1,500,000  Over \$1,000,000 but not over \$1,000,000  S1200,000 plus 10% of the excess over \$1,500,000  Over \$1,000,000 but not over \$1,000,000  S1200,000 plus 10% of the excess over \$1,500,000  Over \$1,000,000 but not over \$1,000,000  S1200,000 plus 10% of the excess over \$1,500,000  Over \$1,000,000 but not over \$1,000,000  S1200,000 plus 10% of the excess over \$1,500,000  Over \$1,000,000 but not over \$1,000,000  S1200,000 plus 10% of the excess over \$1,500,000  Over \$1,000,000 but not over \$1,000,000  S1200,000 plus 10% of the excess over \$1,500,000  Over \$1,000,000 but not over \$1,000,000  S1200,000 plus 10% of the excess over \$1,500,000  Over \$1,000,000 but not over \$1,000,000  S1200,000 plus 10% of the excess over \$1,500,000  Over \$1,000,000 but not over \$1,000,000  S1200,000 plus 10% of the excess over \$1,500,000  Over \$1,000,000 but not over \$1,000,000  Over \$1,000,000 but			Limits on Lobbying	Expenditures			(a) Filing	(b) Affiliated
Total lobbying expenditures to influence public opinion (grass roots lobbying)  b Total lobbying expenditures (add lines 1a and 1b)  d Other exempt purpose expenditures  Total exempt purpose expenditures (add lines 1c and 1d)  f Lobbying nontaxable amount Enter the amount from the following table in both columns  If the amount on line 1e, column (a) or (b) is:  The lobbying nontaxable amount is: Not over \$500,000  Over \$500,000 but not over \$1,000,000  Over \$1,000,000 but not over \$1,000,000  Over \$1,000,000 but not over \$1,000,000  Over \$1,000,000 but not over \$1,000,000  S175,000 plus 15% of the excess over \$1,000,000  Over \$1,000,000 but not over \$1,000,000  S100,000 plus 15% of the excess over \$1,000,000  Over \$1,000,000  Over \$1,000,000  Over \$1,000,000  The lobbying nontaxable amount is:  Not over \$500,000  Over \$1,000,000  Over \$1,000,00					l.)		Organization's Totals	Group Totals
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  If the amount on line 1e, column (a) or (b) is: Not over \$500,000  Over \$500,000 but not over \$1,000,000  Over \$1,000,000 but not over \$1,000,000  Over \$1,000,000 but not over \$1,7000,000  Over \$1,000,000 but not over \$1,7000,000  S225,000 plus 15% of the excess over \$1,000,000  Over \$1,7000,000  Over \$1,7000,000  F17,000,000  S225,000 plus 5% of the excess over \$1,500,000  Over \$1,7000,000  F17,000,000  S1,000,000  F17,000,000  F17,000,		<b>-</b>			1 \		100013	1 ocars
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  If the amount on line 1e, column (a) or (b) is:  If the amount on line 1e, column (a) or (b) is:  Not over \$500,000  Over \$500,000 but not over \$1,000,000  Over \$1,000,000 but not over \$1,000,000  In the excess over \$1,000,000  F1,000,000  F1,000,0				· -				
d O ther exempt purpose expenditures  Total exempt purpose expenditures (add lines 1c and 1d)  Lobbying nontaxable amount Enter the amount from the following table in both columns  If the amount on line 1e, column (a) or (b) is:  The lobbying nontaxable amount is:  Not over \$500,000  Over \$500,000 but not over \$1,000,000  Over \$1,000,000 but not over \$1,000,000  Over \$1,000,000 but not over \$1,500,000  Over \$1,500,000 but not over \$1,500,000  Over \$1,000,000 but not over \$1,000,000  Over \$1,000					ying)			
Total exempt purpose expenditures (add lines 1c and 1d)    Lobbying nontaxable amount Enter the amount from the following table in both columns   If the amount on line 1e, column (a) or (b) is:			,	b)				
f Lobbying nontaxable amount Enter the amount from the following table in both columns  If the amount on line 1e, column (a) or (b) is:  Not over \$500,000  Over \$500,000 but not over \$1,000,000  Over \$1,000,000 but not over \$1,500,000  Over \$1,500,000 but not over \$1,500,000  Over \$17,000,000 but not over \$1,7000,000  Over \$17,000,000 but not over \$17,000,000  S225,000 plus 10% of the excess over \$1,000,000  Over \$17,000,000  Over \$17,000,000  Over \$17,000,000  S225,000 plus 5% of the excess over \$1,000,000  Over \$17,000,000  Over \$17,000,000  S1,000,000  S1,000,0	d	Otherexe	empt purpose expenditures					
Columns  If the amount on line 1e, column (a) or (b) is: Not over \$500,000  Over \$500,000 but not over \$1,000,000  Over \$500,000 but not over \$1,500,000  Over \$1,000,000 but not over \$1,500,000  Over \$1,500,000 but not over \$1,500,000  Over \$1,500,000 but not over \$1,7000,000  Over \$1,500,000 but not over \$1,500,000  Over \$1,500,000 but not over \$1,500,000  Over \$1,500,000 but not over \$1,500,000  Over \$1,000,000  Over \$1,500,000 but not over \$1,500,000  Over \$1,500,000 but not over \$1,500,000  Over \$1,500,000 but not over \$1,500,000  Over \$1,500,000  Over \$1,500,000  S1,000,000	e	Total exe	mpt purpose expenditures (add lines 1	.c and 1d)				
Not over \$500,000  Over \$500,000 but not over \$1,000,000  Over \$1,000,000 but not over \$1,000,000  Over \$1,000,000 but not over \$1,500,000  Over \$1,500,000 but not over \$1,7000,000  Over \$1,500,000 but not over \$1,7000,000  Over \$1,500,000 but not over \$1,000,000  Over \$1,500,000 but not over \$1,000,000  S225,000 plus 5% of the excess over \$1,500,000  Over \$17,000,000  S1,000,000  Grassroots nontaxable amount (enter 25% of line 1f)  Subtract line 1g from line 1a If zero or less, enter -0-  Subtract line 1f from line 1c If zero or less, enter -0-  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?  4-Year Averaging Period Under Section 501(h)  (Some organizations that made a section 501(h) election do not have to complete all 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) 20  Lobbying celling amount	f		nontaxable amount Enter the amount	from the following table	in both			
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 \$1,000,000 \$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 \$1,000,00		If the an	ount on line 1e, column (a) or (b) is:	The lobbying nontax	able amount is:			
Over \$1,000,000 but not over \$1,500,000  Over \$1,500,000 but not over \$1,500,000  Over \$1,500,000 but not over \$1,500,000  Section \$225,000 plus 5% of the excess over \$1,500,000  Over \$17,000,000  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 1ffrom 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?  4-Year Averaging Period Under Section 501(h)  (Some organizations that made a section 501(h) election do not have to complete all 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) 20  2a Lobbying ceiling amount		Not over \$5	500,000	20% of the amount on lii	ne 1e			
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 \$1,00		Over \$500,	000 but not over \$1,000,000	\$100,000 plus 15% of the	e excess over \$500,0	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?  4-Year Averaging Period Under Section 501(h) (Some organizations that made a section 501(h) election do not have to complete all 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) 20  Lobbying celling amount		Over \$1,00	0,000 but not over \$1,500,000	\$175,000 plus 10% of the	e excess over \$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 1ffrom 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?  4-Year Averaging Period Under Section 501(h) (Some organizations that made a section 501(h) election do not have to complete all 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) 20  Lobbying non-taxable amount		Over \$1,50	0,000 but not over \$17,000,000	\$225,000 plus 5% of the	excess over \$1,500,	000		
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?  4-Year Averaging Period Under Section 501(h) (Some organizations that made a section 501(h) election do not have to complete all 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) 20 2a Lobbying ceiling amount		Over \$17,0	00,000	\$1,000,000				
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?  4-Year Averaging Period Under Section 501(h) (Some organizations that made a section 501(h) election do not have to complete all 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) 20 2a Lobbying ceiling amount								
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?  4-Year Averaging Period Under Section 501(h) (Some organizations that made a section 501(h) election do not have to complete all 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) 20  Lobbying non-taxable amount		Grassroo	ts nontaxable amount (enter 25% of li	ne 1f)				
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?  4-Year Averaging Period Under Section 501(h) (Some organizations that made a section 501(h) election do not have to complete all 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) 20  Lobbying non-taxable amount	h	Subtract	line 1a from line 1a If zero or less. en	ter -0 -				
Jection 4911 tax for this year?  4-Year Averaging Period Under Section 501(h) (Some organizations that made a section 501(h) election do not have to complete all 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) 20  Lobbying ceiling amount								
4-Year Averaging Period Under Section 501(h) (Some organizations that made a section 501(h) election do not have to complete al 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) 20  Lobbying non-taxable amount					organization file	Form 4720 re	portina	
(Some organizations that made a section 501(h) election do not have to complete al 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) 20  Lobbying non-taxable amount							F - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 -	┌ Yes ┌ No
Calendar year (or fiscal year beginning in)  (a) 2008 (b) 2009 (c) 2010 (d) 2009  Lobbying non-taxable amount		(Sor	ne organizations that made a	section 501(h) el	ection do not	have to co		ne five
beginning in)  (a) 2008 (b) 2009 (c) 2010 (d) 20  2a Lobbying non-taxable amount  b Lobbying ceiling amount			Lobbying Exp	enditures During	4-Year Avera	ging Period	d	
<b>b</b> Lobbying ceiling amount				(a) 2008	<b>(b)</b> 2009	(c) 2010	(d) 2011	<b>(e)</b> Total
	2a	Lobbyin	g non-taxable amount					
	b							
c Total lobbying expenditures	c	Total loi	obying expenditures					
d Grassroots non-taxable amount	d	Grassro	ots non-taxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))	e							

- 1 T D	
art II-B Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768	8
(election under section 501(h)).	

	(election under section 501(h)).				<i>-</i>	
		(;	a)		(b)	
		Yes	No	4	Amour	nt
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					
а	Volunteers?		Νo			
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		Νo			
C	Media advertisements?		Νo			
d	Mailings to members, legislators, or the public?		Νo			
е	Publications, or published or broadcast statements?		Νo			
f	Grants to other organizations for lobbying purposes?	Yes				1,921
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		Νo			
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		Νo			
i	Other activities? If "Yes," describe in Part IV		Νo			
j	Total lines 1c through 1:					1,921
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		Νo			
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?					
Pai	t III-A Complete if the organization is exempt under section 501(c)(4), section 501(c)(6).	501(c	)(5),	or s	ectio	n
					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		
	t III-B Complete if the organization is exempt under section 501(c)(4), section 501(c)(6) if BOTH Part III-A, lines 1 and 2 are answered "No" OR if Part I answered "Yes".	II-À,			ectio	n
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).					
а	Current year	2a				
Ь	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				
_	art 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

DLN: 93493135075103

Held at the End of the Year

OMB No 1545-0047

**Inspection** 

#### 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.

Name of the organization Employer identification number MOTHER FRANCES HOSPITAL - JACKSONVILLE 75-1976930 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 Total number at end of year

2 Aggregate contributions to (during year) Aggregate grants from (during year) Aggregate value at end of year

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? 

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

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 Preservation of a certified historic structure Protection of natural habitat Preservation of open space

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

Total number of conservation easements 2a Total acreage restricted by conservation easements 2b

Number of conservation easements on a certified historic structure included in (a) Number of conservation easements included in (c) acquired after 8/17/06

2d Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ▶\_

Number of states where property subject to conservation easement is located -

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

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

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

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

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

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

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

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

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

Revenues included in Form 990, Part VIII, line 1

Schedule D (Form 990) 2011

Assets included in Form 990, Part X For Privacy Act and Paperwork Reduction Act Notice, see the Intructions for Form 990

Cat No 52283D

2c

Part	IIII Organizations Maintaining Co	llections of Art	<u>, His</u>	<u>tori</u>	cal Tr	easu	ires, or C	)the	r Similar A	<u>ssets</u>	(con	tınued)
3	Using the organization's accession and othe items (check all that apply)	r records, check any	of th	ie foll	-		_			tion		
а	Public exhibition		d	Γ	Loan	orexc	hange prog	rams				
b	Scholarly research		e	$\Gamma$	Other	=						
c	Preservation for future generations											
4	Provide a description of the organization's co	ollections and expla	ın hov	v the	furthe	rthe o	organızatıoı	n's ex	empt purpose	ın		
5	During the year, did the organization solicit of assets to be sold to raise funds rather than t								nılar	┌ Ye	:s	_ No
Par	Escrow and Custodial Arrang Part IV, line 9, or reported an an	ements. Comple	ete ıf	the	organi	zatioi			es" to Form	990,		
1a	Is the organization an agent, trustee, custoc included on Form 990, Part X?	dian or other interme	diary	for c	ontribu	tions	or other as:	setsı	not	┌ Ye	:s	No
b	If "Yes," explain the arrangement in Part XI $$	V and complete the	follow	ıng ta	able		-					
									Α	mount		
С	Beginning balance							<b>1</b> c				
d	Additions during the year							1d				
e	Distributions during the year							1e				
f	Ending balance							1f				
2a	Did the organization include an amount on Fo	orm 990, Part X, line	21?							┌ Ye	:s	No No
b	If "Yes," explain the arrangement in Part XIV	/										
Pai	t V Endowment Funds. Complete											
		(a)Current Year	(b)	Prior \	'ear	<b>(c)</b> Tw	o Years Back	(d)	Three Years Back	<b>(e)</b> Fo	ur Yea	rs Back
1a	Beginning of year balance									<b>↓</b>		
b	Contributions									<b>↓</b>		
C	Investment earnings or losses									↓		
d	Grants or scholarships									<u> </u>		
e	Other expenditures for facilities											
_	and programs							+		$\vdash$		
f	Administrative expenses							+		+-		
g	End of year balance									<u> </u>		
2	Provide the estimated percentage of the year	ir end balance held a	ıs									
а	Board designated or quasi-endowment 🕨											
b	Permanent endowment 🕨											
С	Term endowment ▶											
3a	Are there endowment funds not in the posse $% \left( 1\right) =\left( 1\right) \left( $	ssion of the organiza	ation 1	that a	re held	d and a	dmınıstere	d for	the	_		
	organization by										res	No
	(i) unrelated organizations			•				•		(i)	$\dashv$	
h	(ii) related organizations If "Yes" to 3a(ii), are the related organizatio				 ulo D2			•	· · · -	(ii)   3b	$\dashv$	
4	Describe in Part XIV the intended uses of th							•				
	VI Land, Buildings, and Equipme					0.						
			<del>-,</del>		Cost or		(b)Cost or	other	(c) Accumulate	-d		
	Description of property				s (invest		basis (oth		depreciation	1 (0	I) Boo	k value
<b>1a</b> l	and									+		
	Buildings									+		
	easehold improvements									+		
	Equipment						9 66	0,106	8,219,6	534	1	440,472
	 N. L						7,00	J,100	0,219,0	-		, , 10 <sub>1</sub> -712
	. Add lines 1a-1e (Column (d) should equal Fo	orm 990. Part X. colum		line	10(c))				▶	+		440,472
. J.ul		Joo, raic A, coluit	(0)	,	(-/-/	•		•	Schedule	D (For		
										- (1 01		-,

Part VIII Investments—Other Securities. See	Form 990, Part X, line 1	2.
(a) Description of security or category	(b)Book value	(c) Method of valuation
(including name of security)	. ,	Cost or end-of-year market value
(1)Financial derivatives		
(2)Closely-held equity interests		
Other		
Total. (Column (b) should equal Form 990, Part X, col (B) line 12)		
Part VIII Investments—Program Related. See	Form 990, Part X, line	13.
(a) Description of investment type	(b) Book value	(c) Method of valuation
(4, 2 ccompany or my comment s, po	(2, 200 14.40	Cost or end-of-year market value
Total. (Column (b) should equal Form 990, Part X, col (B) line 13 )		
Part IX Other Assets. See Form 990, Part X, lir	ne 15.	
(a) Descrip	otion	(b) Book value
(1) DUE FROM AFFILIATES		28,113,473
Total. (Column (b) should equal Form 990, Part X, col.(B) line 1	5.)	▶ 28,113,473
Part X Other Liabilities. See Form 990, Part X		20,113,175
( ) 5		
<del>-</del>	(b) A mount	
Federal Income Taxes	0	
THIRD PARTY PAYOR LIABILITIES	846,957	
DUE TO AFFILIATES	17,204,437	
ESTIMATED SELF INSURANCE COSTS	277,494	
	,	
Total. (Column (b) should equal Form 990, Part X, col (B) line 25 )	18,328,888	

Par	t XI Reconciliation of Change in Net Assets from Form 990 to Financial Statemen	nts	_
1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	37,803,409
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	36,231,842
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	1,571,567
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	1,571,567
Part	XII Reconciliation of Revenue per Audited Financial Statements With Revenue	er R	eturn
1	Total revenue, gains, and other support per audited financial statements	1	31,051,488
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
а	Net unrealized gains on investments		
b	Donated services and use of facilities		
C	Recoveries of prior year grants		
d	Other (Describe in Part XIV) 2d		
e	Add lines <b>2a</b> through <b>2d</b>	2e	
3	Subtract line <b>2e</b> from line <b>1</b>	3	31,051,488
4	A mounts included on Form 990, Part VIII, line 12, but not on line 1		
а	Investment expenses not included on Form 990, Part VIII, line 7b . 4a		
b	Other (Describe in Part XIV)		
C	Add lines <b>4a</b> and <b>4b</b>	<b>4</b> c	6,751,921
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)	5	37,803,409
	Reconciliation of Expenses per Audited Financial Statements With Expenses	s per	
1	Total expenses and losses per audited financial	1	29,479,921
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
а	Donated services and use of facilities		
b	Prior year adjustments	1	
c	Other losses	1	
d	Other (Describe in Part XIV) 2d	1	
e	Add lines <b>2a</b> through <b>2d</b>	2e	
3	Subtract line <b>2e</b> from line <b>1</b>	3	29,479,921
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
а	Investment expenses not included on Form 990, Part VIII, line 7b 4a		
b	Other (Describe in Part XIV)		
c	Add lines <b>4a</b> and <b>4b</b>	4c	6,751,921
5	Total expenses Add lines <b>3</b> and <b>4c.</b> (This should equal Form 990, Part I, line 18)	5	36,231,842
Par	t 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 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
•	· · · · · · · · · · · · · · · · · · ·	REBATES IN AUDIT EXPENSE \$ 1,555 BAD DEBT EXPENSE IN AUDIT REVENUE 6,750,366 \$6,751,921
EXPENSES INCLUDED ON RETURN, NOT ON BOOKS	· · · · · · · · · · · · · · · · · · ·	REBATES IN AUDIT EXPENSE \$ 1,555 BAD DEBT EXPENSE IN AUDIT REVENUE 6,750,366 \$6,751,921

## OMB No 1545-0047

Open to Public Inspection

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

Department of the Treasury Internal Revenue Service

Name of the organization

MOTHER FRANCES HOSPITAL - JACKSONVILLE

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

**Hospitals** 

**Employer identification number** 

75-1976930

Pa	Charity Care and	Certain C	ther Comr	nunity Benefits at		1970930			
								Yes	No
1a	Did the organization have a c	harity care p	olicy? If "No,	" skip to question 6a .			1a	Yes	
b	If "Yes," is it a written policy	?					1b	Yes	
2	If the organization had multip care policy to the various hos		ındıcate whic	h of the following best (	describes application o	of the charity			
	Applied uniformly to all ho		als	Applied uniformly	to most hospitals				
3	Answer the following based or organization's patients during			y criteria that applies t	o the largest number o	f the			
а	Did the organization use Fede If "Yes," indicate which of the					are?	3a	Yes	
	Г <sub>100%</sub> Г <sub>150%</sub>	_	00% <b>—</b>	Other	, 0/2		Sa	165	
		, 20			- 70				
b	Did the organization use FPG "Yes," indicate which of the fo		= :	=			3b	Yes	
	<b>▽</b> 200% <b>▽</b> 250%	<b>□</b> 30	00% <b>Г</b>	350% <b>Г</b> 40	0% <b>「</b> Other _	<u>%</u>			
c	If the organization did not use determining eligibility for free test or other threshold, regard	ordiscounte	ed care Inclu	de in the description wh	nether the organizatior				
4	Did the organization's policy	provide free	or discounted	care to the "medically	ındıgent"?		4	Yes	
5a	Did the organization budget a the tax year?				r its financial assistar	ice policy during	5a	Yes	
b								Yes	
c	If "Yes" to line 5b, as a resul care to a patient who was elig	_		-	•		5c		No
6a	Did the organization prepare	a community	benefit repor	tduring the tax year?			6a	Yes	
6b	If "Yes," did the organization	make it avai	lable to the p	ublic?			6b	Yes	
	Complete the following table worksheets with the Schedule		ksheets prov	ıded ın the Schedule H	instructions Do not s	ubmit these			
7	Charity Care and Certain O	ther Commu	nıty Benefits	at Cost				ı	
	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 b expense	enefit	(f) Pero total ex	
а	Charity care at cost (from Worksheet 1)			1,263,935	0	1,26	3,935	4	290 %
b	Medicaid (from Worksheet 3, column a)			2,049,901	3,421,706		1,805		0 %
С	Costs of other means-tested government programs (from Worksheet 3, column b)			369,273	278,641	9	0,632	0	310 %
d	Total Charity Care and Means-Tested Government Programs			3,683,109	3,700,347		7,238		600 %
e	Other Benefits Community health improvement services and community benefit operations (from (Worksheet 4)			, , , , , ,			·		
f	Health professions education (from Worksheet 5)			8,354			8,354	0	030 %
g	Subsidized health services (from Worksheet 6)			441,565		44	1,565	1	500 %
h i	Research (from Worksheet 7) Cash and In-kind contributions for community benefit (from Worksheet 8)			1,010,437		1,01	0,437	3	430 %
j	Total Other Benefits			1,460,356		•	0,356	4	960 %
k	Total. Add lines 7d and 7j			5,143,465	3,700,347	1,44	3,118	9	560 %

	activities.	(a) Number of activities or programs (optional)	<b>(b)</b> Persons served (optional)	(c) Total community building expense		rect offs revenue	_	(e) Net communit building expense		<b>(f)</b> Perc total ex	
1	Physical improvements and housing	, ,									
2	Economic development										
3	Community support										
4											
	Environmental improvements  Leadership development and training										
	for community members										
	Coalition building										
<u></u>	Community health improvement advocacy										
	Workforce development										
9	Other										
	t III Bad Debt, Medicar	e & Collec	tion Practic								
<u> </u>	Dad Debt, Ficultur	c, a conce	tion i ractic	<u> </u>							
ect	ion A. Bad Debt Expense							(		Yes	No
1	Did the organization report bac Statement No 15?						ment A	ssociation	1		No
2	Enter the amount of the organi					2	-	6,750,366			
3	Enter the estimated amount of	the organizat	on's bad debt e	expense attributab	le to	3					
_	patients eligible under the org		•	•							
4	Provide in Part VI the text of t In addition, describe the costi rationale for including a portio	ng methodolog	gy used in dete	rmining the amount							
ect	ion B. Medicare										
5	Enter total revenue received fr	om Medicare	(ıncludıng DSH	and IME)		5		10,344,176			
5	Enter Medicare allowable cost	s of care relat	ing to payment:	s on line 5		6		9,897,832			
7	Subtract line 6 from line 5 Th	=	· · · · · · · · · · · · · · · · · · ·			7		446,344			
8	Describe in Part VI the extent Also describe in Part VI the co Check the box that describes	ostıng method	ology or source	e used to determine	the amo						
	Cost accounting system	<b>▽</b> co	st to charge ra	tio [	Other						
ect	ion C. Collection Practices										
9a	Did the organization have a wr			= -					9a	Yes	
b	If "Yes," did the organization's contain provisions on the colle assistance? Describe in Part V	ection practice	s to be followe	d for patients who a					9b	Yes	
Pai	rt IV Management Com	panies and	Joint Ventu	ires (see instruc	tions)						
	(a) Name of entity	(t	<ul> <li>Description of pi activity of entit</li> </ul>		(c) Organi profit % o ownersh	r stock		1) Officers, directors, trustees, or key employees' profit % r stock ownership%	pro	e) Physic fit % or wnershi	stock
<u> </u>											
3				+			+		+		
							_		1		
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Part	V Facility Information									
Section	on A. Hospital Facilities	Licensed	Gener	Childre	Teach	Crtica	Resea	ER-24	ER-other	
(list in	order of size from largest to smallest)	sed hospital	General medical &	Children's hospital	Teaching hospital	al acces	Research facility	ER-24 hours	her	
	nany hospital facilities did the organization operate during x year? <b>1</b>	pital	cal & surgical	spital	pta	Ortical access hospital	lity			
Namo	and address									
Name	and address									Other (Describe)
1	MOTHER FRANCES HOSPITAL - JACKSONVILLE 1026 S JACKSON STREET JACKSONVILLE,TX 75766	X	х			Х		Х		
						<u> </u>				
						<u> </u>				
		+	-		-	<del>                                     </del>				
						<del> </del>				
										1

# 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 )

#### MOTHER FRANCES HOSPITAL - JACKSONVILLE

Name of Hospital Facility:	
Line Number of Hospital Facility (from Schedule H, Part V, Section A):	1

			Yes	No
Co	mmunity 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	1		
	("Needs Assessment")? If "No," skip to question 8	1		Νo
	If "Yes," indicate what the Needs Assessment describes (check all that apply)			
	a A definition of the community served by the hospital facility			
	<b>b</b> Demographics of the community			
	c Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
	d How data was obtained			
	e The health needs of the community			
	f Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
	The process for identifying and prioritizing community health needs and services to meet those needs			
	h The process for consulting with persons representing the community's interests			
	i Information gaps that limit the hospital facility's ability to assess the community's health needs			
	j Other (describe in Part VI)			
2	Indicate the tax year the hospital facility last conducted a Needs Assessment 20			
	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	4		
5	other hospital facilities in Part VI	5		
•	If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)	-		
	a Hospital facility's website			
	b Available upon request from the hospital facility			
_	C Other (describe in Part VI)			
O	If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)			
	a Adoption of an implementation strategy to address the health needs of the hospital facility's community			
	<b>b</b> Execution of the implementation strategy			
	c Development of a community-wide community benefit plan for the facility			
	d Participation in community-wide community benefit plan			
	e Inclusion of a community benefit section in operational plans			
	f $\Gamma$ Adoption of a budget for provision of services that address the needs identified in the CHNA			
	g Prioritization of health needs in the community			
	h   Prioritization of services that the hospital facility will undertake to meet health needs in its community			
	i Cother (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		
rir	ancial Assistance Policy	ł		
_	Did the hospital facility have in place during the tax year a written financial assistance policy that	_		
	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?	9	Yes	<u> </u>
	If "Yes," indicate the FPG family income limit for eligibility for free care $\frac{200}{\%}$ If "No," explain in Part VI the criteria the hospital facility used			
	11 Ho, explain his air vi the effecta the hospital facility asea			

P	art V Facility Information (continued)			
			Yes	No
10	Used FPG to determine eligibility for providing discounted care?	10	Yes	
	If "Yes," indicate the FPG family income limit for eligibility for discounted care $\frac{200}{6}$ %			
	If "No," explain in Part VI the criteria the hospital facility used			
11	Explained the basis for calculating amounts charged to patients?	11	Yes	<b></b>
	If "Yes," indicate the factors used in determining such amounts (check all that apply)			
	a Income level			
	<b>b</b> Asset level			
	c Medical indigency			
	d Insurance status			
	e Vninsured discount			
	f Medicaid/Medicare			
	g State regulation			
	h Cother (describe in Part VI)			
	Explained the method for applying for financial assistance?	12	Yes	<u> </u>
13	Included measures to publicize the policy within the community served by the hospital facility?	13	Yes	
	If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
	The policy was posted at all times on the hospital facility's web site			
	<b>b</b> The policy was attached to all billing invoices			
	c The policy was posted in the hospital facility's emergency rooms or waiting rooms			
	d The policy was posted in the hospital facility's admissions offices			
	e 🔽 The policy was provided, in writing, to patients upon admission to the hospital facility			
	f The policy was available upon request			
	g  Other (describe in Part VI)			
	ling 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		103	
	policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's			
	FAP			
	a Reporting to credit agency			
	b Lawsuits			
	c Liens on residences			
	d Body attachments or arrests			
	e Cother 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?	16		No
	If "Yes," check all actions in which the hospital facility or a third party engaged			
	a Reporting to credit agency			
	b Lawsuits			
	c Liens on residences			
	d Body attachments			
	e Other similar actions (describe in Part VI)			
17	Indicate which efforts the hospital facility made before initiating any of the actions checked in question 16 (check all			
	that apply)			
	a 🔽 Notified patients of the financial assistance policy upon admission			
	<b>b</b> Notified patients of the financial assistance policy prior to discharge			
	c 🔽 Notified patients of the financial assistance policy in communications with the patients regarding the patients'			
	bills			
	d			
	facility's financial assistance policy  Other (describe in Part VI)			
	e   Other (describe in Part VI)	I	1	

If "Yes," explain in Part VI

#### Part V Facility Information (continued)

Police	Dolating	+^	Emergency	Medical Care	
POHCV	Relatinu	LO	emeruency	medical care	

			res	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?	18	Yes	
	If "No," indicate why			
	a The hospital facility did not provide care for any emergency medical conditions			
	<b>b</b> The hospital facility's policy was not in writing			
	The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part			
	VI)			
	d Cother (describe in Part VI)			
Inc	lividuals 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			
	The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged			
	<b>b</b> 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 The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged			
	d 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?	20		No
	If "Yes," explain in Part VI		'	
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?			]
		21	1	No

chedule H	(Form	990)	2011
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Page **7** 

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

How many non-hospital facilities did the organization operate during the tax year?		
Name and address	Type of Facility (Describe)	
1		
2		
3		
4		
5		
5		
7		
В		
9		

#### 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 1, 3, 4, 5c, 6i, 7, 9, 10, 11h, 13q, 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
- 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
- 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
- 5 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
BAD DEBT EXPENSE	SCHEDULE H, PART III, SECTION A, QUESTION 4	ACCOUNTS RECEIVABLE ARE REDUCED BY AN ALLOWANCE FOR DOUBTFUL ACCOUNTS IN EVALUATING THE COLLECTABILITY OF ACCOUNTS RECEIVABLE, THE HEALTH SYSTEM ANALYZES ITS PAST HISTORY AND IDENTIFIES TRENDS FOR EACH OF ITS MAJOR PAYER SOURCES OF REVENUE TO ESTIMATE THE APPROPRIATE ALLOWANCE FOR DOUBTFUL ACCOUNTS AND THE PROVISION FOR UNCOLLECTIBLE ACCOUNTS MANAGEMENT REGULARLY REVIEWS DATA ABOUT THESE MAJOR PAYER SOURCES OF REVENUE IN EVALUATING THE SUFFICIENCY OF THE ALLOWANCE FOR DOUBTFUL ACCOUNTS FOR RECEIVABLES ASSOCIATED WITH SERVICES PROVIDED TO PATIENTS WHO HAVE THIRD-PARTY COVERAGE, THE HEALTH SYSTEM ANALYZES CONTRACTUALLY DUE AMOUNTS AND PROVIDES AN ALLOWANCE FOR DOUBTFUL ACCOUNTS, IF NECESSARY (FOR EXAMPLE, FOR EXPECTED UNCOLLECTIBLE ACCOUNTS, IF NECESSARY (FOR EXAMPLE, FOR EXPECTED UNCOLLECTIBLE DEDUCTIBLES AND COPAYMENTS ON ACCOUNTS FOR WHICH THE THIRD-PARTY PAYER HAS NOT YET PAID, OR FOR PAYERS WHO ARE KNOWN TO BE HAVING FINANCIAL DIFFICULTIES THAT MAKE THE REALIZATION OF AMOUNTS DUE UNLIKELY) THE AMOUNT REPORTED ON LINE 2 IS BASED ON BAD DEBTS PER THE AUDITED FINANCIAL STATEMENTS THE ORGANIZATION IS UNABLE TO ESTIMATE THE AMOUNT FOR LINE 3 AND HAS ELECTED TO LEAVE IT BLANK BAD DEBT EXPENSE SHOULD BE CONSIDERED COMMUNITY BENEFIT BECAUSE THIS IS UNCOMPENSATED HEALTHCARE PROVIDED TO RESIDENTS OF THE COMMUNITY

Schedule H (Form 990) 2011 Page **8** 

Identifier	ReturnReference	Explanation
	B, QUESTION 6	THE MEDICAL CENTER USES MEDICARE COST REPORT METHODOLOGY, WHICH APPORTIONS ROUTINE COSTS (ROOM AND BOARD) BASED ON MEDICARE OR MEDICAID DAYS TO TOTAL DAYS AND APPORTIONS ANCILLARY COSTS BASED ON PROGRAM CHARGES TO TOTAL CHARGES

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Identifier	ReturnReference	Explanation
COLLECTION POLICY	C, QUESTION 9B	THE ORGANIZATION HAS A WRITTEN POLICY COVERING PROCEDURES FOR COLLECTING AND WRITING OFF BAD DEBTS ACCORDING TO THE POLICY, IF A PATIENT APPEARS TO BE INDIGENT, ACCOUNTS SHOULD BE REVIEWED, AT ANY TIME DURING THE COLLECTION PROCESS, FOR POSSIBLE CONSIDERATION AS A CHARITY CASE IN ACCORDANCE WITH THE ORGANIZATION'S CHARITY CARE POLICY

Identifier	ReturnReference	Explanation
NEEDS ASSESSMENT	SCHEDULE H, PART VI, QUESTION 2	THE HOSPITAL'S COMMUNITY HEALTH PROFILES PROVIDE A SNAPSHOT OF SUBURBAN, URBAN, AND RURAL SERVICE AREAS WITHIN TEXAS USING KEY HEALTH INDICATORS, WHICH FACILITATE COMPARISONS LOCALLY, REGIONALLY, AND OVER TIME COMMUNITY HEALTH PROFILES ARE INTENDED TO ASSIST INTERNAL STAKEHOLDERS, COMMUNITY HEALTH COUNCIL MEMBERS, AND THE COMMUNITY HEALTH IMPROVEMENT DEPARTMENT IN DECIDING WHERE TO ALLOCATE RESOURCES AND ADDRESS HEALTH INEQUALITIES ALL ENTITY ADVOCATES USE NATIONAL, STATE, AND LOCAL SECONDARY AND PRIMARY DATA SOURCES TO PROVIDE A CURRENT OVERVIEW OF LOCAL HEALTH NEEDS, FACTORS IMPACTING DISEASE AND INJURY BURDEN, SOCIOECONOMIC STATUS, ACCESS TO HEALTH CARE, AGE DISTRIBUTION, INDICATORS AND LIFESTYLE BEHAVIORS THIS DATA IS USED TO GALVANIZE JOINT COMMUNITY HEALTH EFFORTS TO IMPROVE HEALTH AND REDUCE HEALTH INEQUALITIES AND TO EMPOWER THE GREATER COMMUNITY

PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE  SCHEDULE H, PART VI, QUESTION THE HOSPITAL'S FINANCIAL ASSISTANCE POLICY AND CONTACT INFORMATION IS POSTED IN VARIOUS AREAS OF THE HOSPITAL INCLUDING ADMISSIONS & REGISTRATION, EMERGENCY, AND OUTPATIENT DEPARTMENTS ADDITIONALLY, FINANCIAL ASSISTANCE INFORMATION IS PROVIDED, VERSALLY AND IN WRITTEN BROCHURES, TO ALL SELF PAY PATIENTS BY FINANCIAL COUNSELORS FINANCIAL ASSISTANCE INFORMATION IS ALSO INCLUDED IN EVERY PATIENT BY FINANCIAL COUNSELORS WHO ALSO SCREEN SELF PAY PATIENTS FOR POTENTIAL ELIGIBILITY FOR OTHER GOVERNMENTAL ASSISTANCE PROGRAMS IF IT IS DETERMINED THAT THE PATIENT IS POTENTIALLY ELIGIBLE FOR GOVERNMENTAL ASSISTANCE, THE FINANCIAL COUNSELOR WILL ASSIST THE PATIENT IN COMPLETING ANY FORMS NECESSARY TO APPLY FOR THE ASSISTANCE AT THE SAME TIME, THE PATIENT IS INFORMED THAT MOTHER FRANCES HOSPITAL-JACKSONVILLE IS A NON-PROFIT CHARITY CARE APPLICATION AND INFORMATIONAL FLYER THE PATIENT IS INFORMED THAT MOTHER FRANCES HOSPITAL-JACKSONVILLE IS A NON-PROFIT CHARITABLE ORGANIZATION OFFERING FINANCIAL ASSISTANCE TO PATIENTS WHO ARE DEEMED MEDICALLY OR FINANCIALLY INDIGENT THE FINANCIAL COUNSELORS WILL THEN ASSIST THE PATIENT IN COMPLETING THE CHARITY CARE APPLICATION AND OBTAIN ANY AVAILABLE VERIFICATIONS ONCE THE PATIENT IS DISCHARGED, THE FINANCIAL COUNSELORS WILL THEN PATIENT TO ENSURE ALL NEEDED FORMS AND VERIFICATIONS NEEDED TO FILE ONTINUE TO CONTACT THE PATIENT TO ENSURE ALL NEEDED FORMS AND VERIFICATIONS NEEDED TO FILE CONTINUE TO CONTACT THE PATIENT TO ENSURE ALL NEEDED FORMS AND VERIFICATIONS NEEDED TO FILE CONTINUE TO CONTACT THE PATIENT TO ENSURE ALL NEEDED FORMS AND VERIFICATIONS NEEDED TO FILE CONTINUE TO CONTACT THE PATIENT TO ENSURE ALL NEEDED FORMS AND VERIFICATIONS NEEDED TO FILE ON THE PATIENT OF TH	Identifier	ReturnReference	Explanation
<u>'</u>	PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE	3	THE HOSPITAL'S FINANCIAL ASSISTANCE POLICY AND CONTACT INFORMATION IS POSTED IN VARIOUS AREAS OF THE HOSPITAL INCLUDING ADMISSIONS & REGISTRATION, EMERGENCY, AND OUTPATIENT DEPARTMENTS ADDITIONALLY, FINANCIAL ASSISTANCE INFORMATION IS PROVIDED, VERBALLY AND IN WRITTEN BROCHURES, TO ALL SELF PAY PATIENTS BY FINANCIAL COUNSELORS FINANCIAL ASSISTANCE INFORMATION IS ALSO INCLUDED IN EVERY PATIENT BILL THE HOSPITAL'S FINANCIAL ASSISTANCE POLICY IS COMMUNICATED TO THE PATIENT BY FINANCIAL COUNSELORS WHO ALSO SCREEN SELF PAY PATIENTS FOR POTENTIAL ELIGIBILITY FOR OTHER GOVERNMENTAL ASSISTANCE PROGRAMS IF IT IS DETERMINED THAT THE PATIENT IS POTENTIALLY ELIGIBLE FOR GOVERNMENTAL ASSISTANCE, THE FINANCIAL COUNSELOR WILL ASSIST THE PATIENT IN COMPLETING ANY FORMS NECESSARY TO APPLY FOR THE ASSISTANCE AT THE SAME TIME, THE PATIENTS ARE PROVIDED WITH A CHARITY CARE APPLICATION AND INFORMATIONAL FLYER THE PATIENT IS INFORMED THAT MOTHER FRANCES HOSPITAL-JACKSONVILLE IS A NON-PROFIT CHARITABLE ORGANIZATION OFFERING FINANCIAL ASSISTANCE TO PATIENTS WHO ARE DEEMED MEDICALLY OR FINANCIALLY INDIGENT THE FINANCIAL COUNSELORS WILL THEN ASSIST THE PATIENT IN COMPLETING THE CHARITY CARE APPLICATION AND OBTAIN ANY AVAILABLE VERIFICATIONS ONCE THE PATIENT IS DISCHARGED, THE FINANCIAL COUNSELORS WILL CONTINUE TO CONTACT THE PATIENT TO ENSURE ALL NEEDED FORMS AND VERIFICATIONS NEEDED TO FILE AN APPLICATION FOR GOVERNMENTAL ASSISTANCE

Identifier	ReturnReference	Explanation
COMMUNITY INFORMATION	4	MOTHER FRANCES HOSPITAL-JACKSONVILLE IS A 25- BED ACUTE CARE MEDICARE CERTIFIED CRITICAL ACCESS HOSPITAL CHEROKEE COUNTY, THE PRIMARY SERVICE AREA FOR MFH-JACKSONVILLE, HAS A POPULATION OF APPROXIMATELY 57,000 AND IS PRIMARILY 48,000 IN A 1,052 SQUARE MILE AREA THE SECONDARY SERVICE AREA INCLUDES THE SOUTHERN PART OF SMITH COUNTY

Schedule H (Form 990) 2011		Page <b>8</b>
Identifier	ReturnReference	Explanation
PROMOTION OF COMMUNITY	SCHEDIUE H DART VI QUESTION	MOTHER FRANCES HOSPITAL-JACKSONVILLE PROMOTES
HEALTH	5	healincare and wellness education by offering
		OUTREACH PROGRAMS AND SPECIAL INITIATIVES THAT IMPROVE THE QUALITY OF LIFE AND HEALTH IN THE
		COMMUNITIES SERVED COMMUNITY BENEFIT IS
		PROVIDED THROUGH MANY REDUCED PRICE SERVICES
		AND FREE PROGRAMS TO THE COMMUNITY THESE
		SERVICES ARE ESSENTIAL TO PROVIDE COMPLETE
		HEALTHCARE TO THE COMMUNITIES SERVED, SOME OF THESE PROGRAMS INCLUDE THE FOLLOWING CHEROKEE
		COUNTY RELAY FOR LIFE - PROVIDED SPONSORSHIP AND
		STAFFING SUPPORT FOR CHEROKEE COUNTY RELAY FOR
		LIFE STAFF PLANNED ACTIVITIES FOR THE ALL - NIGHT
		EVENT AND MANNED THE EVENT THIS IS AN ANNUAL SPONSORSHIP THE PURPOSE OF THE PROGRAM IS TO
		INCREASE AWARENESS ABOUT CANCER AND TO HELP IN
		FUNDRAISING EFFORTS FOR A COUNTY THAT HAS AN
		ABOVE AVERAGE RATE OF CANCER EDUCATIONAL
		PROGRAMS TARGETED THE COMMUNITY AT LARGE BUT EFFORTS WERE MADE TO REACH THE UNINSURED FAMILY
		CARE CENTER - WOMEN'S SERVICES - OVER 300 VISITS
		FOR GYNECOLOGICAL SERVICES AT THE LOCAL CLINIC
		WERE PROVIDED FOR WOMEN THAT DID NOT HAVE A
		PRIMARY CARE OR SPECIALTY MEDICAL HOME THE PURPOSE IS TO PROVIDE WOMEN WITH GYNECOLOGICAL
		SERVICES WHO DO NOT HAVE ACCESS TO MEDICAL
		CARE MANY OF THESE WOMEN WERE TRAVELING TO
		TYLER TO RECEIVE CARE BUT CAN NOW RECEIVE IT
		CLOSER TO HOME JACKSONVILLE RODEO - HANDED OUT FANS AND WATER TO PARTICIPANTS AND SPECTATORS
		AT THE RODEO PROVIDED VOLUNTEERS TO INTERACT
		ON ISSUES FOR 3 HOURS EACH OF 4 NIGHTS THIS IS AN
		ANNUAL SPONSORSHIP THE PURPOSE IS TO HELP
		EDUCATE PARTICIPANTS ABOUT THE DANGERS OF HEAT AND INJURIES CAUSED BY EXTENSIVE HEAT THIS
		PROGRAM REACHED OVER 1,000 PEOPLE WITH HEAT
		PREVENTION INFORMATION AND MEDICAL SUPPORT ON
		SITE JACKSONVILLE ROTARY, ACCESS, AND OTHERS -
		PROVIDED SPONSORSHIP, STAFFING, AND DEVELOPMENT OF PROGRAMS AND EVENTS FOR THE LOCAL COMMUNITY
		ORGANIZATIONS INCLUDED LIONS CLUB, ROTARY,
		KIWANIS, ACCESS, HOPE CENTER, UNITED FUND, AND
		AMERICAN CANCER SOCIETY, JACKSONVILLE CHAMBER
		OF COMMERCE, JACKSONVILLE LITERACY COUNCIL MEMBERS OF THE STAFF SERVE IN LEADERSHIP
		POSITIONS AND AS VOLUNTEERS FOR PROGRAMS ON
		VARIOUS BOARDS AND NON PROFITS IN THE
		COMMUNITY THESE PROGRAMS BENEFITS THE RESIDENTS OF THE AREA AND ORGANIZATIONS THAT
		PROVIDE SERVICES WHICH ARE NOT PROVIDED BY THE
		HOSPITAL BUT IMPACT THE HEALTH OF THE RESIDENTS
		IN ANDERSON/CHEROKEE COUNTIES FINDING
		LEADERSHIP TALENT FOR VOLUNTEER POSITIONS IS AN EVER GROWING PROBLEM FOR ALL COMMUNITIES
		TARGET POPULATION FOR SERVICES IS THE GENERAL
		PUBLIC KID FEST - A COMMUNITY PROGRAM WAS HELD
		TO PROVIDE BICYCLE SAFETY AND TO DISTRIBUTE BIKE
		HELMETS OVER 100 CHILDREN PARTICIPATED IN THE PROGRAM THAT WAS CO-SPONSORED BY THE
		JACKSONVILLE DAILY PROGRESS AND MOTHER FRANCES
		HOSPITAL - JACKSONVILLE THIS IS AN ANNUAL
		PROGRAM THE PURPOSE IS TO EDUCATE THE ENTIRE
		FAMILY, PARENTS AND CHILDREN, ON THE IMPORTANCE OF BICYCLE SAFETY AS THE SUMMER APPROACHED THE
		COMMUNITY DOES NOT HAVE BICYCLE LANES SO
		ESPECIALLY DURING THE SUMMER MANY CHILDREN ARE
		RIDING THE BIKES ACROSS TOWN IN RANDOM FASHION
		COMMUNITY HEALTH INFORMATION AND SCREENINGS - A VARIETY OF COMMUNITY EVENTS AND OPPORTUNITIES
		FOR SCREENINGS WERE HELD INCLUDING CHEROKEE
		COUNTY COOP HEALTH FAIR, METHODIST CHURCH, AND
		EDUCATIONAL FACILITIES TO HELP EDUCATE AND IDENTIFY INDIVIDUALS AT RISK AND WAYS TO IMPROVE
		THEIR HEALTH OVER 500 PEOPLE WERE SERVED
		THROUGH THESE ACTIVITIES HEALTH EDUCATION
		PROGRAMS - COMMUNITY EDUCATION FOR HEALTHY LIFE
		STYLES WERE OFFERED THROUGHOUT THE REGION FOR A VARIETY OF CONDITIONS INCLUDING CANCER,
		CHOLESTEROL, DIABETES, SMOKING CESSATION,
		STRESS, WEIGHT MANAGEMENT, AND HEALTHY HEARTS
		OVER 100 PEOPLE WERE REACHED EAST TEXAS HAS AN
		EXTREMELY HIGH RATE FOR DIABETES, STROKE, HEART DISEASE, AND PULMONARY DISEASE THIS EAST TEXAS
		REGION OF THE STATE HAS ONE OF THE FASTEST
		GROWING AGING GROUPS AND HIGH RISK FOR ETHNIC
		MINORITIES, BOTH WERE TARGETED COMMUNITY NON
		PROFITS AND RURAL HOSPITAL SUPPORT PROGRAMS - MOTHER FRANCES HOSPITAL - JACKSONVILLE PROVIDES
		DIRECT FINANCIAL SUPPORT TO NOT-FOR- PROFIT
		ORGANIZATIONS AND COMMUNITY SUPPORTED RURAL
		HOSPITALS WITHIN THE REGION TO HELP PROVIDE NEEDED SERVICES TO THE COMMUNITY PRIORITY IS
		GIVEN TO AGENCIES OR ORGANIZATIONS THAT PROVIDE
		SUPPORT OR DIRECT HEALTH RELATED SERVICES OR
		BENEFITS AND HAVE A MISSION TO SERVE THE
		UNDERINSURED AND UNINSURED NEW PROGRAMS INCLUDED ARE CHEROKEE HEALTH ADVISORY BOARD
		AND EMS, FIRE DEPARTMENT AND PUBLIC SAFETY
		OFFICES THESE ORGANIZATIONS OR AGENCIES
		PROVIDE SERVICES THAT OTHERWISE WOULD HAVE TO
		BE PROVIDED BY MOTHER FRANCES HOSPITAL -
		JACKSONVILLE OR COULD BE PREVENTING PATIENTS FROM ENTERING OUR FACILITIES, PARTICULARLY THE
		EMERGENCY ROOM MANY PROVIDE PHYSICIAN
		SERVICES, EDUCATION OR RESEARCH PROGRAMS WHICH
		ARE NOT AVAILABLE AT MFH-J OR IT MAY BE TOO FAR
		FOR THEIR PATIENTS TO TRAVEL TO RECEIVE SERVICES AT OUR PRIMARY FACILITIES
1	1	
		Schedule H (Form 990) 2011

Identifier	ReturnReference	Explanation
AFFILIATED HEALTH CARE SYSTEM	6	MOTHER FRANCES HOSPITAL-JACKSONVILLE IS PART OF AN AFFILIATED HEALTH CARE SYSTEM CALLED TRINITY MOTHER FRANCES HEALTH SYSTEM TRINITY MOTHER FRANCES IS A FAITH-BASED ORGANIZATION DEDICATED TO CREATING HEALTHY LIVES FOR PEOPLE AND COMMUNITIES MFH-JACKSONVILLE AND ITS AFFILIATES PROMOTE THE HEALTH OF THE COMMUNITIES SERVED BY PROVIDING ACUTE CARE FACILITIES AND CRITICAL ACCESS FACILITIES, WHOSE OPERATIONS CONSIST PRIMARILY OF PROVIDING INPATIENT AND OUTPATIENT ACUTE CARE AND MEDICAL SERVICES TO PATIENTS RESIDING IN EAST TEXAS

Identifier	ReturnReference	Explanation
	COLUMN F	TO ARRIVE AT THE PERCENT OF TOTAL EXPENSES, THE DENOMINATOR WHICH EQUALS TOTAL OPERATING EXPENSES PER PART IX, LINE 25, OF THE FORM 990 WAS REDUCED BY BAD DEBT EXPENSE, TOTALING \$6,750,366

Identifier	ReturnReference	Explanation
	15, 10, & 17	NEITHER MOTHER FRANCES HOSPITAL - JACKSONVILLE, NOR THIRD PARTIES AUTHORIZED BY MFH-J, TAKE ANY ACTIONS UPON NON-PAYMENT FROM A PATIENT BEFORE MAKING A REASONABLE EFFORT TO DETERMINE IF THE PATIENT IS ELIGIBLE FOR THE FACILITY'S FINANCIAL ASSISTANCE POLICY

Identifier	ReturnReference	Explanation
STATE OF FILING COMMUNITY BENEFIT REPORT	SCHEDULE H, PART VI, QUESTION 7	TEXAS

efile GRAPHIC print - DO NOT PROCESS | As Filed Data -

Schedule I (Form 990)

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

OMB No 1545-0047

2011

DLN: 93493135075103

Department of the Treasury Internal Revenue Service Complete if the organization answered "Yes," to Form 990, Part IV, line 21 or 22. ▶ Attach to Form 990

Inspection

Part I General Information on Grant  1 Does the organization maintain records to sult the selection criteria used to award the grants  2 Describe in Part IV the organization's proced  Part II Grants and Other Assistance to Form 990, Part IV, line 21 for any Part IV and Schedule I-1 (Form 9)  (a) Name and address of organization or government  (1) SERVICE 30-0630886	s and Assistance bstantiate the amount of the sor assistance? ures for monitoring the use to Governments and recipient that received	of grant funds in the large of grant funds in the large of grant funds in the large of the following states of the following s	Jnited States  the United States Check this box if n		ganization answered ived more than \$5,0	000. Use
1 Does the organization maintain records to sult the selection criteria used to award the grants 2 Describe in Part IV the organization's proced  Part II Grants and Other Assistance to Form 990, Part IV, line 21 for any Part IV and Schedule I-1 (Form 9)  (a) Name and address of organization or government (b) EIN	bstantiate the amount of the sor assistance? ures for monitoring the use to Governments and recipient that received 90) if additional space	of grant funds in the last of grant funds in the	Jnited States  the United States Check this box if n	Complete if the orgon one recipient rece	ganization answered ived more than \$5,0	i "Yes" to 000. Use
the selection criteria used to award the grants  Describe in Part IV the organization's proced  Part II Grants and Other Assistance to Form 990, Part IV, line 21 for any Part IV and Schedule I-1 (Form 9)  (a) Name and address of organization or government (b) EIN	s or assistance? ures for monitoring the use to Governments and recipient that received 90) if additional space  (c) IRC Code section	of grant funds in the last of grant funds in the	Jnited States  the United States Check this box if n	Complete if the orgon one recipient rece	ganization answered ived more than \$5,0	i "Yes" to 000. Use
Form 990, Part IV, line 21 for any Part IV and Schedule I-1 (Form 9  (a) Name and address of organization or government	recipient that received 90) if additional space (c) IRC Code section	d more than \$5,000. is needed (d) Amount of cash	Check this box if n	o one recipient rece	ived more than \$5,0	000. Use
organization or government	1	` '	(e) A mount of non-	(f) Method of		
(1) SEPVICE 30-0630886			cash assistance	valuation (book, FMV , appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
ORGANIZATION OF PINEY WOODS2950 50TH STREET LUBBOCK,TX 79314	501(C)(3)	912,937				COMMUNITY HEALTHCARE
(2) SERVICE 26-0468622 ORGANIZATION OF NORTH EAST TEXAS2950 50TH STREET LUBBOCK,TX 79314	501(C)(3)	97,500				COMMUNITY HEALTHCARE

Part III	Grants and Other Assistance to Individuals in the United States. C	omplete if the organization.	answered "Yes" to	Form 990	Part IV line 22
r arc 111	Use Schedule I-1 (Form 990) if additional space is needed.	omplete il tile organization	answered res to	101111 330,	are iv, inic 22.

(a)Type of grant or assistance	(b)Number of recipients	<b>(c)</b> A mount of cash grant	(d)A mount of non-cash assistance	(e)Method of valuation (book, FMV, appraisal, other)	(f)Description of non-cash assistance

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
PROCEDURES FOR	SCHEDULE I, PART I,	GRANT RECIPIENTS ARE REQUIRED TO ACKNOWLEDGE PRIOR TO THE ISSUANCE OF GRANT FUNDS THAT THE
MONITORING THE USE	QUESTION 2	GRANT WILL BE USED IN ACCORDANCE WITH THE STATED PURPOSE OF THE GRANT APPLICATION AND ANY
OF GRANT FUNDS IN		UNUSED FUNDS RELATED TO THE SPECIFIC PURPOSE OF THE GRANT WILL BE RETURNED TO THE ORGANIZATION
THE U S		THE ORGANIZATION MONITORS AND REVIEWS THE FINANCIAL DATA OF RECIPIENTS TO ENSURE THAT THE
		GRANTED FUNDS ARE BEING USED PROPERLY

**Compensation Information** 

DLN: 93493135075103

**Employer identification number** 

OMB No 1545-0047

**Schedule J** (Form 990)

Department of the Treasury

Name of the organization

Internal Revenue Service

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.

Open to Public Inspection

110	THER I RANCES HOSFITAL - SACRSONVILLE		75-1976930			
Pa	rt I Questions Regarding Compensatio	n	1.0 201010			
					Yes	Νo
1a	Check the appropriate box(es) if the organization pro 990, Part VII, Section A, line 1a Complete Part II					
	First-class or charter travel	Γ	Housing allowance or residence for personal use			
	Travel for companions	Γ	Payments for business use of personal residence			
	Tax idemnification and gross-up payments	Γ	Health or social club dues or initiation fees			
	Discretionary spending account	Γ	Personal services (e g , maid, chauffeur, chef)			
b	If any of the boxes in line 1a are checked, did the oreimbursement orprovision of all the expenses desc			1b		
2	Did the organization require substantiation prior to officers, directors, trustees, and the CEO/Executiv			2		
3	Indicate which, if any, of the following the organization's CEO/Executive Director Check all t	hat appl	у			
	<ul><li>✓ Compensation committee</li><li>✓ Independent compensation consultant</li></ul>	<b>₩</b>	Written employment contract Compensation survey or study			
	Form 990 of other organizations		Approval by the board or compensation committee			
	1 orm 550 or other organizations	,,	Approval by the board of compensation committee			
4	During the year, did any person listed in Form 990, or a related organization	Part VII	I , Section A , line 1a with respect to the filing organization			
а	Receive a severance payment or change-of-control	l paymer	nt?	4a		No
ь	Participate in, or receive payment from, a suppleme	ental non	nqualified retirement plan?	4b	Yes	
С				4c		No
	If "Yes" to any of lines 4a-c, list the persons and p					
	Only 501(c)(3) and 501(c)(4) organizations only m	ust com	plete lines 5-9.			
5	For persons listed in form 990, Part VII, Section A compensation contingent on the revenues of	, line 1a,	, did the organization pay or accrue any			
а	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 compensation contingent on the net earnings of	, line 1a,	, did the organization pay or accrue any			
а	The organization?			6a		No
b	Any related organization?			6b		Νo
	If "Yes," to line 6a or 6b, describe in Part III					
7	For persons listed in Form 990, Part VII, Section A payments not described in lines 5 and 6? If "Yes,"			7		No
8	Were any amounts reported in Form 990, Part VII,					
	subject to the initial contract exception described i					
	ın Part III			8		Νo
9	If "Yes" to line 8, did the organization also follow th section $534958-6(c)$ ?	ne rebutt	able presumption procedure described in Regulations	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)(1)-(111) 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-MI	SC compensation	(C) Retirement and	( <b>D)</b> Nontaxable	(E) Total of columns	( <b>F</b> ) Compensation	
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation	other deferred compensation	benefits	(B)(ı)-(D)	reported in prior Form 990 or Form 990-EZ	
(1) THOMAS N CAMMACK JR	(I) (II)	208,784	44,029	34,470	9,210 0	6,132 0	302,625 0	(	
(2) MATTHEW A VIERKANT MD	(I) (II)	368,928	133,737	12,996	0 10,413	0 2,400	0 528,474	(	
(3) RAY THOMPSON	(I) (II)	0 690,314	0 348,118	0 463,037	0 538,645	0 8,038	0 2,048,152	463,037	
(4) BARRY L THIBO DEAUX	(I) (II)	218,374 0	0 0	22,109 0	7,416 0	1,858 0	249,757 0	(	
(5) JACK CAPPS	(I) (II)	213,785 0	0 0	20,240 0	7,802 0	8,852 0	250,679 0	(	
(6) WILLIAM MILAWSKI MD	(I) (II)	0 236,513	0 0	0 4,776	0 9,155	0 2,400	0 252,844	(	
(7) JOYCE HESTER	(I) (II)	0 174,243	0 36,644	0 18,714	0 8,163	0 4,033	0 241,797	(	
(8) J LINDSEY BRADLEY JR	(ı) (ıı)	0 813,271	0 441,987	0 450,000	0 10,413	0 7,846	0 1,723,517	(	
(9) WILLIAM BELLENFANT SR	(ı) (ıı)	0 1,890,888	0	0 258,515	0	0 2,234	0 2,151,637	258,515	

### 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
IN OR PAYMENT FROM	PART I, QUESTION 4B	PARTICIPANTS IN SERP REPORTED IN W-2 DEFERRED COMPENSATION

efile GRAPHIC print - DO NOT PROCESS | As Filed Data -

DLN: 93493135075103

OMB No 1545-0047

Inspection

### **SCHEDULE 0** (Form 990 or 990-EZ)

Department of the Treasury Internal Revenue Service

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.

Supplemental Information to Form 990 or 990-EZ

Name of the organization MOTHER FRANCES HOSPITAL - JACKSONVILLE

**Employer identification number** 

75-1976930

		[75-1976930
ldentifier	Return Reference	Explanation
DESCRIBE REVIEW PROCESS OF FORM 990	FORM 990, PART VI, QUESTION 11B	THE ORGANIZATION ENGAGES AN OUTSIDE ACCOUNTING FIRM TO PREPARE FORM 990 ONCE PREPARED, THE FORM IS REVIEWED BY THE ORGANIZATION'S INTERNAL ACCOUNTANTS PRIOR TO FILING
DESCRIBE THE ORGANIZATION'S MEMBERS OR STOCKHOLDERS	FROM 990, PART VI, QUESTION 6	TRINITY MOTHER FRANCES HEALTH SYSTEM IS THE SOLE MEMBER OF MOTHER FRANCES HOSPITAL - JACKSONVILLE
MEMBERS OR STOCKHOLDERS WHO MAY ELECT MEMBERS OF THE GOVERNING BOARD	FORM 990, PART VI, QUESTION 7A	THE SOLE MEMBER, TRINITY MOTHER FRANCES HEALTH SYSTEM, APPOINTS ALL DIRECTORS AND THEIR SUCCESSORS TO THE GOVERNING BOARD
DECISIONS OF GOVERNING BODY SUBJECT TO APPROVAL BY MEMBER	FORM 990, PART VI, QUESTION 7B	THE MEMBER HAS THE RIGHT TO APPROVE OR DISAPPROVE CERTAIN ACTIONS THAT HAVE BEEN APPROVED BY THE BOARD OF DIRECTORS
HOW DOES THE ORGANIZATION MONITOR AND ENFORCE COMPLIANCE WITH POLICY	FORM 990, PART VI, QUESTION 12C	THE BOARD REVIEWS AND RESOLVES, IF NECESSARY, ANY TRANSACTIONS AS THEY ARISE THROUGHOUT THE YEAR IN ACCORDANCE WITH POLICY STANDARDS
PROCESS FOR DETERMINING COMPENSATION OF CEO, OFFICERS, OR KEY EMPLOYEES	FORM 990, PART VI, QUESTIONS 15A & 15B	THE ORGANIZATION USES COMPENSATION CONSULTANTS AND NATIONAL COMPENSATION SURVEYS TO DETERMINE COMPENSATION OF EMPLOYEES COMPENSATION IS APPROVED BY THE ORGANIZATION'S GOVERNING BODY
DESCRIBE WHETHER THE ORGANIZATION MAKES ITS DOCUMENTS AVAILABLE TO PUBLIC	FORM 990, PART VI, QUESTION 19	THE ORGANIZATION MAKES ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC UPON REQUEST
COMPENSATION FROM RELATED ORGANIZATIONS	FORM 990, PART VII & SCHEDULE J	THE GOVERNING BOARD OF TRINITY MOTHER FRANCES HEALTH SYSTEM, UPON ADVICE FROM NATIONALLY RECOGNIZED COMPENSATION CONSULTANTS, WHO PERIODICALLY REVIEW ALL EXECUTIVE COMPENSATION, APPROVED A DEFERRED COMPENSATION PLAN THAT PROVIDES A 65% TOTAL RETIREMENT BENEFIT FOR SENIOR EXECUTIVES THAT SERVE 20 YEARS OR MORE THIS PROGRAM HAS BOTH RETENTION AND NON-COMPETITION CLAUSES THAT CREATE A RISK OF FORFEITURE DEFERRED COMPENSATION IS SUBJECT TO A RISK OF FORFEITURE BASED ON RETENTION, NON-COMPETITION AND OTHER CONTRACTUAL FACTORS ACCRUALS OF DEFERRED COMPENSATION ARE NOT INCLUDIBLE IN W-2 COMPENSATION UNTIL PAID OTHER EMPLOYEE BENEFITS INCLUDE QUALIFIED PENSION PLANS HEALTH, DENTAL AND LIFE INSURANCE PLANS, DISABILITY INSURANCE, ETC TAXABLE EXPENSES ARE INCLUDED IN THE W-2 PAID COMPENSATION SALARY AMOUNT
1099S REPORTED BY ORGANIZATION	FORM 990, PART V, QUESTION 1A	THE ORGANIZATION'S 1099S ARE ISSUED BY A RELATED ORGANIZATION, MOTHER FRANCES HOSPITAL REGIONAL HEALTH CARE CENTER, WHO REPORTS ALL 1099S FOR THE ENTIRE SYSTEM AND ALLOCATES EXPENSES TO THE APPROPRIATE RELATED ORGANIZATION
DELEGATION OF MANAGEMENT DUTIES	FORM 990, PART VI, QUESTION 3	THE ORGANIZATION HAS HIRED A MANAGEMENT COMPANY TO PERFORM THE DUTIES OF THE INTERIM CFO UNDER EMPLOYMENT FOR THE UNRELATED MANAGEMENT COMPANY, THE FOLLOWING INDIVIDUAL SERVES AS AN OFFICER FOR THE HOSPITAL AND IS PAID COMPENSATION BY THE MANAGEMENT COMPANY FOR SERVICES TO THE HOSPITAL PER IRS GUIDANCE, NO COMPENSATION IS SHOWN ON FORM 990, PART VII, FOR THIS INDIVIDUAL PAM VUKOVICH - \$218,341
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAMERAY THOMPSON TITLE SYS EXEC/VP/CEO/DIRECTOR HOURS 38
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME DICK STONE TITLE DIRECTOR HOURS 1
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME JOYCE HESTER TITLE SYSTEM VP, FINANCE, CFO HOURS 37
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME J LINDSEY BRADLEY JR TITLE SYSTEM PRESIDENT/DIRECTOR HOURS 42
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME PAM VUKOVICH TITLE INTERIM CFO HOURS 37

DLN: 93493135075103

OMB No 1545-0047

Open to Public Inspection

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

**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.

Department of the Treasury Internal Revenue Service

Name of the organization MOTHER FRANCES HOSPITAL - JACKSONVILLE						Employer i	dentif	ication number		
MOTHER FRANCES HOSPITAL - JACKSONVILLE						75-19769	30			
Part I Identification of Disregarded Entities (Co	mplete	ıf the organization	answered "Yes" o	on Form 990, P	art I'	V, line 33.)				
(a) Name, address, and EIN of disregarded entity		(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income En		<b>(e)</b> End-of-year assets		<b>(f)</b> Direct controlling entity		
Part II Identification of Related Tax-Exempt Orgon more related tax-exempt organizations dur			the organization a	nswered "Yes'	on I	Form 990, F	Part IV	/, line 34 because i	t had	one
(a) Name, address, and EIN of related organization		<b>(b)</b> Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code secti		(e) Public charity statu (if section 501(c)(3				g) n 512(b ontrolle nization
									Yes	No
(1) CHAMPION EMERGENCY SERVICES LLC								l		
2201 S MOBBERLY AVE		BULANCE SVC	TX	501(C)(3)		9		NA		No
LONGVIEW, TX 75602 75-2747708										
(2) MOTHER FRANCES HOSP REGIONAL HC CENTER										
1315 DOCTORS DRIVE	но	SPITAL	TX	501(C)(3)		3		TMFHS		No
TYLER, TX 75701 75-0818167										
(3) TRINITY MOTHER FRANCES HEALTH SYSTEM FDN										
1315 DOCTORS DRIVE	SUF	PPORT	TX 501(C)(3)			11A I		TMFHS		No
TYLER, TX 75701 75-2028241										
(4) REGIONAL MEDICAL SERVICES ASSOCIATION										1
1315 DOCTORS DRIVE	HEA	ALTHCARE	тх	501(C)(3)			3	MFH REG		No
TYLER, TX 75701 75-2511459										
(5) TRINITY MOTHER FRANCES HEALTH SYSTEM										+
1315 DOCTORS DRIVE	HEA	ALTHCARE	TX	501(C)(3)			11A I	NA		No
TYLER, TX 75701 75-2616975										
(6) TRINITY CLINIC										+
1315 DOCTORS DRIVE	HEA	ALTHCARE	TX	501(C)(3)			3	TMFHS		No
TYLER, TX 75701 75-2616977 73. MOTHER EDANGES HOSPITAL WINNSPORC				(-/(-/						<u> </u>
(7) MOTHER FRANCES HOSPITAL - WINNSBORO								TMEHC		
1315 DOCTORS DRIVE	НО	SPITAL	TX	501(C)(3)			3	TMFHS		No
TYLER, TX 75701 75-2771569										

Part III	Identification of Related Organizations Taxable as a Partnership (Complete if the organization answered "Yes" on Form 990, Part IV, lin	ie 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>(b)</b> Primary activity	(c) Legal domicile (state or foreign country)	,	(e) Predominant income (related, unrelated, excluded from tax under sections 512- 514)	<b>(f)</b> Share of total income	(g) Share of end-of- year assets	(h) Dispropitionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j Gene mana parti	ral or aging	<b>(k)</b> Percentage ownership
							Yes	No		Yes	No	İ
									·			

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.)

<b>(a)</b> 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	<b>(h)</b> Percentage ownership
See Additional Data Table							

(6)

Pa	Note. Complete line 1 if any entity is listed in Parts II, III or IV	iiile 34, 35, 35	A, UE 30.)	Yes	No					
<b>1</b> D	During the tax year, did the orgranization engage in any of the following transactions with one or more related organizations listed in Parts II-I	٧٧		1						
	a Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity		1a		No					
	<b>b</b> Gift, grant, or capital contribution to related organization(s)									
	c Gift, grant, or capital contribution from related organization(s)									
d										
e	e Loans or loan guarantees by related organization(s)									
f	f Sale of assets to related organization(s)									
g	g Purchase of assets from related organization(s)		<b>1</b> g		No					
h	h Exchange of assets with related organization(s)		1h		No					
i	Lease of facilities, equipment, or other assets to related organization(s)		1i		No					
j	Lease of facilities, equipment, or other assets from related organization(s)		<u>1j</u>	Yes						
k	k Performance of services or membership or fundraising solicitations for related organization(s)									
ı	l Performance of services or membership or fundraising solicitations by related organization(s)									
m	m Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)									
n	n Sharing of paid employees with related organization(s)									
0	Reimbursement paid to related organization(s) for expenses		10		No					
р	p Reimbursement paid by related organization(s) for expenses		<b>1</b> p		No					
q	<b>q</b> Other transfer of cash or property to related organization(s)		19		No					
r	r Other transfer of cash or property from related organization(s)		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 relationshi	ıps and transactıc	on thresholds							
	(a) (b) Transaction	(c)	(d)		ant					
		mount involved	Method of determ involve		ount					
1)										
2)										
3)										
4)										
- ,										
5)										
•										

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

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

<b>(a)</b> Name, address, and EIN of entity	<b>(b)</b> Primary activity	(c) Legal domicile (state or foreign country)	I domicile Predominant tate or income(related, partners section suntry) excluded from tax under sections 512-  514)  Predominant Are all partners section 501(c)(3) organizations?		partners section 501(c)(3) organizations?		partners section 501(c)(3) organizations?		partners section tot 501(c)(3) organizations?		<b>(g)</b> Share of end-of-year assets	(h) Disproprtionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	Gene man part	<b>j)</b> eral or aging ener?	<b>(k)</b> Percentage ownership
			,	Yes	No			Yes	No		Yes	No					

### Part VII Supplemental Information

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

Identifier	Return Reference	Explanation
		THE FOLLOWING RELATED ORGANIZATIONS REPORTABLE IN PART II ARE DIRECTLY CONTROLLED BY TRINITY MOTHER FRANCES HEALTH
CONTROLLING	PART II,	SYSTEM ("TMFHS") MOTHER FRANCES HOSPITAL REGIONAL HEALTH CARE CENTER TRINITY MOTHER FRANCES HEALTH SYSTEM FOUNDATION
ENTITY	COLUMN F	TRINITY CLINIC MOTHER FRANCES HOSPITAL - WINNSBORO REGIONAL MEDICAL SERVICES ASSOCIATION IS DIRECTLY CONTROLLED BY
		MOTHER FRANCES HOSPITAL REGIONAL HEALTH CARE CENTER ("MFH REG")

Software ID: Software Version:

**EIN:** 75-1976930

Name: MOTHER FRANCES HOSPITAL - JACKSONVILLE

Form 990, Schedule R, Part II - Identification of Related Tax-Exempt Organizations

Form 990, Schedule R, Part II - Ic	lentification of Re	elated Tax-E	xempt Orga	nizations		
(a) Name, address, and EIN of related organization	<b>(b)</b> Primary Activity	(c) Legal Domicile (State or Foreign Country)	<b>(d)</b> Exempt Code section	(e) Public charity status (if 501(c) (3))	<b>(f)</b> Direct Controlling Entity	g Section 51 (b)(13) controlled organizatio
CHAMPION EMERGENCY SERVICES LLC 2201 S MOBBERLY AVE LONGVIEW, TX 75602 75-2747708	AMBULANCE SVC	тх	501(C) (3)	9	NA	No
MOTHER FRANCES HOSP REGIONAL HC CENTER 1315 DOCTORS DRIVE TYLER, TX 75701 75-0818167	HOSPITAL	тх	501(C) (3)	3	TMFHS	No
TRINITY MOTHER FRANCES HEALTH SYSTEM FDN 1315 DOCTORS DRIVE TYLER, TX 75701 75-2028241	SUPPORT	тх	501(C) (3)	11A I	TMFHS	No
REGIONAL MEDICAL SERVICES ASSOCIATION 1315 DOCTORS DRIVE TYLER, TX 75701 75-2511459	HEALTHCARE	тх	501(C) (3)	3	MFH REG	No
TRINITY MOTHER FRANCES HEALTH SYSTEM 1315 DOCTORS DRIVE TYLER, TX 75701 75-2616975	HEALTHCARE	тх	501(C) (3)	11A I	NA	No
TRINITY CLINIC  1315 DOCTORS DRIVE TYLER, TX 75701 75-2616977	HEALTHCARE	тх	501(C) (3)	3	TMFHS	No
MOTHER FRANCES HOSPITAL - WINNSBORO 1315 DOCTORS DRIVE TYLER, TX 75701 75-2771569	HOSPITAL	тх	501(C) (3)	3	TMFHS	No

Form 990, Schedule R, Part IV - Identification of Related Organizations Taxable as a Corporation or Trust

Form 990, Schedule R, F	Part IV - Identi	ification of	Related Org	ganizations Tax	cable as a C	Corporation	or Trust
(a) Name, address, and EIN of related organization	<b>(b)</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
TRI-STATE FINANCIAL LLC 1315 DOCTORS DRIVE TYLER, TX 75701 75-2728318	COLLECTION AGENCY	тх	NA	C- CORPORATION			
TRINCARE INC 1315 DOCTORS DRIVE TYLER, TX 75701 75-2161369	RETAIL HEALTH SVC	ТХ	NA	C- CORPORATION			
HEALTHPLAN OF TEXAS INC 514 S BECKHAM TYLER, TX 75701 75-2636832	THIRD PARTY ADMIN	тх	NA	C- CORPORATION			
REGIONAL HEALTHCARE ALLIANCE 1315 DOCTORS DRIVE TYLER, TX 75701 75-2484109	PREFER PROVIDER	тх	NA	C- CORPORATION			
TEXAS HEALTH FACILITIES INSUR CORP LTD PO BOX 1109 BWI GRAND CAYMAN CJ 98-0136025	INSURANCE	CJ	NA	C- CORPORATION			
CONCORDIUM HEALTH LLC 1315 DOCTORS DRIVE TYLER, TX 75701 70-2811022	INACTIVE	тх	NA	C- CORPORATION			
EMPLOYER SERVICES INC 1315 DOCTORS DRIVE TYLER, TX 75701 75-2602556	INACTIVE	ТX	NA	C- CORPORATION			
HERITAGE HEALTH PLANS OF TX 1315 DOCTORS DRIVE TYLER, TX 75701 75-2622622	INACTIVE	тх	NA	C- CORPORATION			
QUALITY CARE ALLIANCE 1315 DOCTORS DRIVE TYLER, TX 75701 75-2662965	INACTIVE	ТХ	NA	C- CORPORATION			

Accountants' Report and Consolidated Financial Statements

June 30, 2012 and 2011

June 30, 2012 and 2011

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### **Independent Accountants' Report**

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

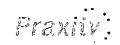
We have audited the accompanying consolidated balance sheets of Central Maine Healthcare Corporation and Subsidiaries (the "Corporation") as of June 30, 2012 and 2011, and the related consolidated statements of operations, changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Central Maine Healthcare Corporation and Subsidiaries as of June 30, 2012 and 2011, and the results of its operations, the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America

Our audits were performed for the purpose of forming an opinion on the financial statements as a whole The consolidating schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with 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 financial statements as a whole

BKD, LLP November 6, 2012





### Consolidated Balance Sheets June 30, 2012 and 2011

### **Assets**

55615	2012	2011
Current Assets		
Cash and cash equivalents	\$ 27,308,135	\$ 22,482,931
Assets limited as to use - current	11.074.209	21,331,750
Assets limited as to use held by trustee for		
bond project fund - current	-	1.616.496
Patient accounts receivable, net of allowance,		
2012 - \$39.805.000. 2011 - \$18.775.000	43,689,462	45,988,475
Short-term investments	15,983,490	27,520,388
Estimated amounts due from third-party payers - current	13,177,912	20,521,492
Supplies	3,125,520	3,397,776
Prepaid expenses and other	11.402.362	9,737,518
Total current assets	125,761,090	152,596,826
Assets Limited As To Use		
Internally designated	25,570,765	24,766,087
Externally restricted by donors	26,764,891	27.312.053
Held by trustee under bond indenture agreements	17.424.208	20,158,060
Held by trustee for self-insurance trust	24.648.137	27,272,442
	94,408,001	99,508,642
Less amount required to meet current obligations	11.074.209	22,948,246
	83,333,792	76,560,396
Property and Equipment, Net	209.352.726	204,342,120
Other Assets		
Estimated amounts due from third-party payers	36,000,077	19.059.971
Deferred compensation plan assets	25.151.715	24,750,264
Investment in equity investees	7.254.398	5,744,485
Notes receivable	4.790.969	5,513,444
Other	10.951.255	4,244,356
	84.148.414	59,312,520
Total assets	\$ 502.596.022	\$ 492.811.862

### **Liabilities and Net Assets**

	2012	2011
Current Liabilities		
Line of credit	\$ -	\$ 14.897.529
Current maturities of long-term debt	6.612.369	4,943,514
Accounts payable	12.646.246	17.698.643
Accrued expenses	28.064.280	27,166,598
Total current liabilities	47.322.895	64.706.284
<b>Estimated Self-Insurance Costs</b>	16.314.916	17.838.443
Line of Credit	17.428.260	-
Long-Term Debt	145.917.661	138.233.228
Pension Liabilities	49.589.583	22,468,411
Asset Retirement Obligations	2.829.879	2.781.372
Other Long-Term Liabilities	8.551.115	9.013.220
Total liabilities	287.954.309	255,040,958
Net Assets		
Unrestricted	186,655,242	210.775.172
Temporarily restricted	9.353.451	8.974.959
Permanently restricted	18.633.020	18.020.773
Total net assets	214.641.713	237,770,904
Total liabilities and net assets	\$ 502.596.022	\$ 492.811.862

### Consolidated Statements of Operations Years Ended June 30, 2012 and 2011

	2012	2011
Unrestricted Revenues, Gains and Other Support		
Net patient service revenue	\$ 404,474,901	\$ 394,397,406
Other revenue	19,349,222	14,988,474
Net assets released from restrictions used for operations	1.626.049	1,493,862
Total unrestricted revenues, gains and other support	425,450,172	410,879,742
Expenses and Losses		
Salaries, wages and employee benefits	238.632.919	234.931.720
Supplies and other	119,524,258	115,142,422
Depreciation and amortization	24,230,062	23,339,050
Interest	4.217.582	3,708,350
Provision for uncollectible accounts	35,088,802	26,517,557
Total expenses and losses	421.693.623	403.639.099
Operating Income	3.756.549	7.240.643
Other Income (Expense)		
Investment return	1,668,564	1.852,065
Realized gains on sale of investments	2.308.482	1.946,426
Change in unrealized gains (losses) on investments	(3.130.284)	4,313,611
Gain on investment in equity investees	1.892.158	905.183
Pension curtailment	-	(583,985)
Other	(473.730)	(1,358,559)
Total other income (expense)	2.265.190	7.074.741
Excess of Revenues Over Expenses	6.021.739	14.315.384
Net assets released from restriction used for purchase	10.500	21222
of property and equipment  Grant funds used for acquisition of property and	10,500	34.323
equipment	163.399	266,572
Change in defined benefit pension plan gains and losses, prior service costs and curtailments	(30.315.568)	23.773.833
Increase (decrease) in unrestricted net assets	\$ (24.119.930)	\$ 38,390,112
more to (decrea to) in time inforced field where	Ψ (44.117.730)	ψ 36,330,112

### Consolidated Statements of Changes in Net Assets Years Ended June 30, 2012 and 2011

	2012	2011	
Unrestricted Net Assets			
Excess of revenues over expenses	\$ 6,021,739	\$ 14,315,384	
Net assets released from restriction used for purchase	Φ 0.021.737	Ψ 14.515.564	
of property and equipment	10.500	34,323	
Grant funds used for acquisition of property and			
equipment	163.399	266,572	
Change in defined benefit pension plan gains and			
losses, prior service costs and curtailments	(30.315.568)	23.773.833	
Increase (decrease) in unrestricted net assets	(24.119.930)	38.390,112	
Temporarily Restricted Net Assets			
Contributions received	2,394,020	1,951,978	
Investment return	(378,979)	2,653,715	
Net assets released from restriction	(1.636,549)	(1.528,185)	
Increase in temporarily restricted net assets	378,492	3,077,508	
Permanently Restricted Net Assets			
Contributions received	686,077	624,547	
Change in beneficial interest in perpetual trusts	(73.830)	(251.814)	
Increase in permanently restricted net assets	612.247	372,733	
Change in Net Assets	(23,129,191)	41.840.353	
Net Assets, Beginning of Year	237,770,904	195.930.551	
Net Assets, End of Year	\$ 214.641.713	\$ 237.770.904	

### Consolidated Statements of Cash Flows Years Ended June 30, 2012 and 2011

	2012	2011
Operating Activities		
Change in net assets	\$ (23.129.191)	\$ 41.840.353
Items not requiring (providing) operating cash flow		
Gain on sale of property and equipment	(94.261)	(12.304)
Depreciation and amortization	24,230,062	23,339,050
Gain on investment in equity investee	(1.892.158)	(905,183)
(Gain) loss on investments	1,461,642	(8,584,531)
Restricted contributions, grants and investment		
income received	(3.243.496)	(2,843,097)
Accrued self-insurance costs	(637,222)	3,044,683
Accrued deferred compensation costs	(863,556)	(1.239.034)
Change in defined benefit pension plans	30,315,568	(23,773,833)
Changes in		
Patient accounts receivable	2.299.013	(974,347)
Estimated amounts due from and to third-party payers	(9.596.526)	19.612.823
Accounts payable and accrued expenses	(7.743.273)	(8,476,341)
Other current assets and liabilities	1.841.476	2.763.848
Net cash provided by operating activities	12.948.078	43,792,087
Investing Activities		
Investment in equity investee	(950,000)	-
Purchases of investments	(36,822,805)	(22,246,244)
Sales of investments	51,998,702	31,754,294
Dividends and return of equity from equity investees	1.270,407	911.329
Purchases of property and equipment	(22,467,018)	(32,901,505)
Proceeds from sale of property and equipment	103,662	
Net cash used in investing activities	(6,867,052)	(22.482.126)

### Consolidated Statements of Cash Flows Years Ended June 30, 2012 and 2011

	_	2012	2011
Financing Activities			
Restricted contributions, grants and			
investment income	\$	3,243,496	\$ 2,843,097
Proceeds from line of credit		4.762.790	-
Principal payments on long-term debt and the line of credit	_	(9,262,108)	 (5.184.658)
Net used in financing activities		(1,255,822)	 (2.341,561)
Increase in Cash and Cash Equivalents		4.825.204	18,968,400
Cash and Cash Equivalents, Beginning of Year		22,482,931	 3.514.531
Cash and Cash Equivalents, End of Year	\$	27.308.135	\$ 22,482,931
Supplemental Cash Flows Information			
Interest paid (net of amount capitalized)	\$	4.353.675	\$ 5,452,945
Property and equipment in accounts payable	\$	2,825,380	\$ 3,269,016
Capital lease obligation incurred for property and equipment	\$	-	\$ 804,326
Capital lease obligation incurred for			
new information technology system	\$	16,379,543	\$ -

### Notes to Consolidated Financial Statements June 30, 2012 and 2011

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

### Nature of Operations

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

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

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

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

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

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

### **Principles of Consolidation**

The accompanying consolidated financial statements include the accounts of CMHC and its wholly owned subsidiaries (collectively the "Corporation") All significant intercompany balances and transactions have been eliminated in consolidation

#### Use of Estimates

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

### Notes to Consolidated Financial Statements June 30, 2012 and 2011

#### Cash Equivalents

The Corporation considers all liquid investments with original maturities of three months or less to be cash equivalents. At June 30, 2012 and 2011, cash equivalents consisted primarily of money market accounts and short-term government obligations.

Pursuant to legislation enacted in 2010, the FDIC will fully insure all noninterest-bearing transaction accounts beginning December 31, 2010, through December 31, 2012, at all FDIC-insured institutions

For interest-bearing cash accounts, the FDIC's insurance limits were permanently increased to \$250,000. At June 30, 2012 and 2011, the Corporation's interest-bearing cash accounts exceeded federally insured limits by approximately \$4,180,000 and \$4,400,000, respectively.

Additionally, the Corporation has entered into an agreement with a local financial institution to purchase fully collateralized U S government securities with the Corporation's sweep accounts At June 30, 2012 and 2011, the amount held in sweep and money market accounts was approximately \$11,760,000 and \$30,275,000

#### Investments and Investment Return

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

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

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

#### Assets Limited As To Use

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

### Notes to Consolidated Financial Statements June 30, 2012 and 2011

#### Patient Accounts Receivable

The Corporation reports patient accounts receivable for services rendered at net realizable amounts from third-party payers, patients and others. The Corporation provides an allowance for uncollectible accounts based upon a review of outstanding receivables, historical collection information and existing economic conditions. As a service to the patient, the Corporation bills third-party payers directly and bills the patient when the patient's liability is determined. Patient accounts receivable are due in full when billed. Accounts are considered delinquent and subsequently written off as bad debts based on individual credit evaluation and specific circumstances of the account.

### **Supplies**

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

### Property and Equipment

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

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

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

	2012	2011
Total interest expense incurred on borrowings for project Interest income from investment of proceeds of	\$ 2.820.362	\$ 2,288,551
borrowings for project	(132,792)	(127,128)
Net interest cost capitalized	\$ 2,687,570	\$ 2.161,423

### Notes to Consolidated Financial Statements June 30, 2012 and 2011

	2012	2011
Interest capitalized Interest charged to expense	\$ 2.820.362 4.217.582	\$ 2.288,551 3.708,350
Total interest incurred	\$ 7.037.944	\$ 5,996,901

### Long-Lived Asset Impairment

The Corporation evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the assets is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value.

No asset impairment was recognized during the years ended June 30, 2012 and 2011

#### **Deferred Financing Costs**

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

### Temporarily and Permanently Restricted Net Assets

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

#### Net Patient Service Revenue

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

#### Charity Care

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

### Notes to Consolidated Financial Statements June 30, 2012 and 2011

#### **Contributions**

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

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

### **Estimated Malpractice Costs**

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

#### Income Taxes

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

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

CMHC and its consolidated entities file tax returns in the  $U\,S\,$  federal jurisdiction. With a few exceptions, these entities are no longer subject to  $U\,S\,$  federal examinations by tax authorities for years before 2006.

Notes to Consolidated Financial Statements
June 30, 2012 and 2011

#### Excess of Revenues Over Expenses

The statements of operations include excess of revenues over expenses. Changes in unrestricted net assets which are excluded from excess of revenues over expenses, consistent with industry practice, include unrealized gains and losses on investments other than trading securities, change in pension liabilities, permanent transfers to and from affiliates for other than goods and services and contributions of and grants for long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purpose of acquiring such assets)

### Electronic Health Records Incentive Program

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

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

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

#### Estimated Self-Insurance Costs

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

### Subsequent Events

Subsequent events have been evaluated November 6, 2012, which is the date the financial statements were issued

Notes to Consolidated Financial Statements
June 30, 2012 and 2011

#### Note 2: Net Patient Service Revenue

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

Medicare CMMC - Inpatient acute care services and substantially all outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors. Inpatient skilled nursing services are paid at prospectively determined per diem rates that are based on the patients' acuity. Certain inpatient nonacute services and defined medical education costs are paid based on a cost reimbursement methodology.

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

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

Medicaid Inpatient and outpatient services rendered to Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology for certain services and at prospectively determined rates for all other services. CMMC. Rumford and Bridgton are reimbursed for cost reimbursable services at tentative rates with final settlement determined after submission of annual cost reports by the respective hospital and audits thereof by the Medicaid administrative contractor. Beginning July 1, 2011, for inpatient acute care services CMMC is now being paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors.

CMMC. Rumford and Bridgton's Medicaid cost reports have been tentatively settled by the Medicaid administrative contractor through June 30, 2008. At June 30, 2012 and 2011, CMMC. Rumford and Bridgton have estimated cost report receivables of approximately \$56,310,000 and \$43,250,000, respectively, from the State of Maine (State) for fiscal years 2005 through 2012. CMMC. Rumford and Bridgton received \$200,000 and \$27,730,000 during fiscal years 2012 and 2011, respectively, for tentative settlements of filed cost reports Management expects to collect these receivables in full, however, the timing of collection from the State is uncertain, and is subject to the risk that the State may make changes to its existing laws or regulations due to budgetary needs

Approximately 52% and 46% of net patient service revenue are from participation in the Medicare and state-sponsored Medicaid programs for the years ended June 30, 2012 and 2011, respectively Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation and change. As a result, it is reasonably possible that recorded estimates will change materially in the near term

### Notes to Consolidated Financial Statements June 30, 2012 and 2011

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

#### Note 3: Concentration of Credit Risk

The Corporation grants credit without collateral to its patients, most of whom are area residents and are insured under third-party payer agreements. The mix of gross receivables from patients and third-party payers at June 30, 2012 and 2011, is

	2012	2011
Medicare	38%	43%
Medicaid	7%	4%
Anthem	4%	4%
Other third-party payers	37%	33%
Patients	14%	16%
	100%	100%

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

	2012	2011
Held by trustee under bond indenture agreements Cash and cash equivalents	\$ 17,424,208	\$ 20.158,060
Held by trustee for self-insurance trust		
Cash and cash equivalents	\$ 11,103,816	\$ 7,661,720
Fixed income securities	3,732,483	12,163,230
Equity securities	4,311,309	3,755,358
Private limited partnerships	5,500,529	3,692,134
	\$ 24.648.137	\$ 27.272.442

### Notes to Consolidated Financial Statements June 30, 2012 and 2011

#### Other Investments

Other investments at June 30 include

Other investments at June 30 metude	2012	2011
	2012	2011
Cash and cash equivalents	\$ 60,241,264	\$ 16,099,972
Fixed income securities	1,122,570	22,077,481
Equity securities		
Financial institutions and insurance industry	-	2,215,159
Healthcare and pharmaceutical industry	-	1,945,401
Global equity securities	-	4,724,080
Oil, gas and chemical industry	-	3,459,342
Technology and software industry	-	1,716,450
Electric and utilities industry	-	2,576,012
Manufacturing and wholesale industry	-	5,672,517
Construction and real estate industry	-	1,225,787
Retail services industry and other	-	4,778,378
Other	644,937	2,756,315
Charitable remainder trusts	1,168,135	1,241,965
Private limited partnerships	5,142,240	9,109,669
	68,319,146	79,598,528
Less internally designated	25,570,765	24,766,087
Less externally restricted	26,764,891	27,312,053
Short-term investments	\$ 15,983,490	\$ 27.520.388
Deferred Compensation Plan Assets		
	2012	2011
Cash and cash equivalents	\$ 1,172,983	\$ 1,107,614
Mutual funds	7,570,898	7,946,327
Equities	488,090	503,471
Life insurance contracts	15,919,744	15,192,852
	\$ 25,151,715	\$ 24,750,264

### Notes to Consolidated Financial Statements June 30, 2012 and 2011

Total investment return is comprised of the following

	2012	2011
Interest and dividend income Unrealized gains (losses) Realized gains and losses	\$ 2,238,646 (4,179,019) 2,717,377	\$ 2.478.975 6.080.786 2.503.745
	\$ 777.004	\$ 11.063.506

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

	2012	2011
Unrestricted net assets		
Other operating income	\$ 309,221	\$ 297,689
Other nonoperating income	3.977.046	3,798,491
Change in unrealized gains and losses	(3,130,284)	4,313,611
Temporarily restricted net assets	(378,979)	2,653,715
	\$ 777.004	\$ 11.063.506

#### Private Limited Partnerships and Investment Trusts

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

	June 30, 2012			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Limited partnership (A) Multistrategy hedge	\$ 1.527.445	\$ -	Annually	90 days
funds (B)  Multistrategy hedge	821,795	-	Quarterly	45 days
funds (C) Multistrategy hedge	2,107,117	-	Annually	90 days
funds (D) Funds of Funds (E)	5,458,413 727,999	- -	Quarterly Quarterly	75 days 65 days

### Notes to Consolidated Financial Statements June 30, 2012 and 2011

	June 30, 2011					
			Ur	nfunded	Redemption	Redemption
	F	air Value	Com	mitments	Frequency	Notice Period
Limited partnership (A)	\$	1,585,535	\$	-	Annually	90 days
Multistrategy hedge						
funds (B)		1,842,357		-	Quarterly	45 days
Multistrategy hedge						
funds (C)		2,131,370		-	Annually	90 days
Multistrategy hedge						
funds (D)		6,530,803		-	Quarterly	75 days
Funds of Funds (E)		711,738			Quarterly	65 days

- (A) This partnership invests primarily through a diversified group of money managers that as a group use a wide variety of investment techniques and strategies. The objective of the partnership is to seek consistent long-term growth of capital with reduced volatility. The partnership invests in securities and other financial instruments of the United States and foreign entities, including, equity and debt securities, options, future contracts, forward contracts and swap contracts.
- (B) This partnership invests primarily through a diversified group of money managers to obtain higher performance and less volatility than if the partnership employed a single investment strategy. The fund invests in equity securities, debt securities, options, warrants, currencies, futures contracts, commodities, partnership interests, money market instruments, precious metals and other ownership interests and indebtedness
- (C) This fund was formed primarily with the purpose of achieving long-term growth of capital with reduced volatility and returns that demonstrate little or no correlation with either equity or bond markets, by allocating its capital among various money managers that, as a group, employ a variety of investment techniques and strategies. This fund invests in equity and debt securities in the United States and foreign issuers, options, futures contracts, forward contracts and swap contracts.
- (D) This fund was formed primarily with the objective to achieve consistent returns with low correlation to the markets, while reducing risk through diversification, by utilizing a diverse group of low volatility alternative investment strategies, using a multimanager approach Investments may include, but are not limited to, equity and fixed income securities, convertible and hybrid stocks and debt securities, preferred stocks, warrants and options, structured and other synthetic securities and related derivative instruments, such as swaps, forwards, options, futures, caps and floors, other derivatives, government and corporate securities, money market instruments, foreign currencies and interest in currencies, certificates of deposit, bankers' acceptances, trust receipts and trade and commercial obligations and loans

### Notes to Consolidated Financial Statements June 30, 2012 and 2011

(E) This fund is a feeder fund of a Trust The investment objective of the fund is to realize appreciation in the value of its assets through the allocation of capital amount submanagers and the portfolio funds they operate

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

#### United Ambulance Service

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

The financial position at June 30, 2012 and 2011, and the results of operations for United Ambulance Service for the years then ended are summarized below

	2012	2011
Current assets Property and other long-term assets, net	\$ 2.144.417 3.325.343	\$ 1.645.918 3.730.447
Total assets	5,469,760	5,376,365
Current liabilities Long-term liabilities	710,445 75,181	551,700 153,055
Total liabilities	785.626	704,755
Net assets	\$ 4.684.134	\$ 4,671,610
Revenues Net income (loss)	\$ 8.573.171 \$ 12.524	\$ 8.486.808 \$ (1.686)

#### New England Life Care

CMMC has a 12% ownership of New England Life Care CMMC's investment in New England Life Care is accounted for using the equity method of accounting in the accompanying financial statements

### Notes to Consolidated Financial Statements June 30, 2012 and 2011

The financial position at December 31, 2011 and 2010, and the results of operations for New England Life Care for the years then ended are summarized below

	2011	2010
Total assets	\$ 8,605,260	\$ 9,178,191
Current liabilities Long-term liabilities	3,030,797 12,469	3,772,682 96,959
Total liabilities	3,043,266	3,869,641
Net assets	\$ 5.561,994	\$ 5,308,550
Revenues Excess (deficiency) of revenues over expenses	\$ 24,946,915 \$ 253,344	\$ 23,439,794 \$ (222,445)

#### Occupational Health, LLC

CMHV has a 10% ownership of Occupational Health, LLC CMHV's investment in Occupational Health, LLC is accounted for using the equity method of accounting in the accompanying financial statements

The financial position at December 31, 2011 and 2010, and the results of operations for Occupational Health, LLC for the years then ended are summarized below

	2011	2010
Current assets Property and other long-term assets, net	\$ 878.985 97.600	\$ 365.203 117.350
Total assets	976,585	482,553
Current liabilities Long-term liabilities	102,015 20,135	72,106 19,878
Total liabilities	122,150	91,984
Net assets	\$ 854,435	\$ 390,569
Revenues Net income	\$ 2.470.201 \$ 494.879	\$ 2,360,964 \$ 471,237

### Notes to Consolidated Financial Statements June 30, 2012 and 2011

#### Central Maine Magnetic Imaging Associates

CMHV has a 43 75% ownership of Central Maine Magnetic Imaging Associates CMHV's investment in Central Maine Magnetic Imaging Associates is accounted for using the equity method of accounting in the accompanying financial statements. During the years ended June 30, 2012 and 2011, CMHV received distributions of \$607,250 and \$676,378, respectively

The financial position at June 30, 2012 and 2011, and the results of operations for Central Maine Magnetic Imaging Associates for the years then ended are summarized below

	2012	2011
Current assets Property and other long-term assets, net	\$ 1.363.850 780.023	\$ 1.254.584 891.826
Total assets	2.143,873	2,146,410
Current liabilities Long-term liabilities	630,596 399,674	414,590 609,233
Total liabilities	1.030.270	1,023,823
Net assets	\$ 1.113.603	\$ 1,122,587
Revenues Net income	\$ 6.143.093 \$ 1.379.024	\$ 6.002.690 \$ 1.343.711

#### Lifeflight of Maine

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

### Notes to Consolidated Financial Statements June 30, 2012 and 2011

The financial position at June 30, 2012 and 2011, and the results of operations for Lifeflight of Maine for the years then ended are summarized below

	2012	2011
Current assets Property and other long-term assets, net	\$ 3.717.109 6.567.407	\$ 3,445,120 6,515,138
Total assets	10,284,516	9,960,258
Current liabilities Long-term liabilities	770,466 5,444,178	839,479 5,642,746
Total liabilities	6.214.644	6,482,225
Net assets	\$ 4,069,872	\$ 3,478,033
Revenues Net income	\$ 8.472.697 \$ 591.839	\$ 8,414,683 \$ 999,366

#### Maine Research Associates

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

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

Total assets	\$ 2,208,979
Total liabilities	 5,206
Net assets	\$ 2,203,773
Revenues	\$ 885,030
Net income	\$ 264,997

Notes to Consolidated Financial Statements
June 30, 2012 and 2011

#### Premier Purchasing Partners

CMHC has a 2% ownership of Premier Purchasing Partners, L P During the years ended June 30, 2012 and 2011, CMHC received distributions of \$608,457 and \$234,912, respectively CMHC's investment in Premier Purchasing Partners, L P is accounted for using the equity method of accounting in the accompanying financial statements

#### Note 6: Notes and Other Receivables

In April 2008, CMHC advanced Parkview Adventist Medical Center (Parkview) \$5,600,000 in the form of a demand promissory note, due April 25, 2013, and secured by substantially all of Parkview's assets. The interest rate is variable, equal at all time to the interest rate of CMHC's line of credit (*Note 9*). The note is due based on a 120-month installment payment schedule, with a balloon payment for the remaining balance due April 25, 2013. The outstanding balance of the note payable to CMHC at June 30, 2012 and 2011, was \$5,022,833 and \$5,513,444, respectively. All required payments on the note have been received through June 30, 2012.

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

At June 30, 2012 and 2011, the Corporation has a receivable of \$2,368,603 and \$3,027,854, respectively, for services rendered under this agreement. Parkview's December 31, 2011, audit was modified for substantial doubt about Parkview's ability to continue as going concern due to recurring losses from operations and net asset deficiencies. However, management believes the amounts due from Parkview are fully collectible and no reserve has been recorded for amounts due to CMHC or CMMC, based on their assessment of Parkview's improved operating results. It is reasonably possible these estimates could change materially in the near term

During the year ended June 30, 2012, the Corporation filed a certificate of need with the State of Maine for Parkview to become a wholly owned subsidiary of CMHC. As of the time of the issuance of the financial statements, this request was still being reviewed by the State and no final determination had been made.

Notes to Consolidated Financial Statements
June 30, 2012 and 2011

#### Note 7: Property and Equipment

Property and equipment consists of the following at June 30

	2012	2011
Land and land improvements	\$ 14,509,837	\$ 14,408,167
Buildings and improvements	223.594.932	208,359,799
Major movable equipment, fixed equipment		
and vehicles	216,927,225	208,158,085
	455,031,994	430,926,051
Less accumulated depreciation	261,208,668	237,798,930
	193,823,326	193,127,121
Construction in progress	15,529,400	11.214.999
	\$209,352,726	\$204,342,120

At June 30, 2012, construction in progress was comprised of various minor construction projects, in addition to costs associated with implementing a new computer system throughout the Corporation. The new computer system project is expected to be completed in the spring of 2013 and is anticipated to cost approximately \$16,000,000. In order to pay for the new computer system, management obtained financing from the vendor related to the system implementation (see *Note 12*).

#### Note 8: Self-Insurance

#### Malpractice

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

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

### Notes to Consolidated Financial Statements June 30, 2012 and 2011

The accrued liability for malpractice claims at June 30, 2012 and 2011, was \$14,434,964 and \$15,149,059, respectively. It is reasonably possible that CWM's estimate of losses will change by a material amount in the near term

Effective July 1, 2011, CWM's aggregate limits increased from \$10,000,000 to \$12,000,000 for medical professional liability and general liability coverage. Under the excess policy coverage for CWM liability, coverage increased from \$20,000,000 per claim and in aggregate to \$25,000,000 per claim and in aggregate.

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

#### Health Insurance

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

#### Worker's Compensation

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

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

### Notes to Consolidated Financial Statements June 30, 2012 and 2011

In 2012, the Corporation adopted the provisions of Accounting Standards Update (ASU) 2010-24. Health Care Entities (Topic 954) Presentation of Insurance Claims and Related Insurance Recoveries, which eliminates the practice of netting claim liabilities with expected insurance recoveries for balance sheet presentation. Claim liabilities are to be determined without consideration of insurance recoveries. Expected recoveries are presented separately. Prior to the adoption of ASU 2010-24, accounting principles generally accepted in the United States of America required a health care provider to accrue only an estimate of the malpractice claim costs for both reported claims and claims incurred but not reported where the risk of loss had not been transferred to a financially viable insurer. There was no material impact of the ASU adoption to the Corporation's financial statements

#### Note 9: Lines of Credit

The Corporation has entered into a revolving line of credit, with TD Banknorth, N A, which provides borrowings up to \$15,000,000, due March 11, 2014. Payments of interest only are due monthly at a rate of the one-month LIBOR plus 2.75%. The interest rate will be adjusted based on a review of the Corporation's quarterly financial statements to the one-month LIBOR plus 2.50% if days cash on hand is greater than 50 days, or to the one-month LIBOR plus 2.25% if days cash on hand is greater than 70 days. The interest rate at June 30, 2012, was 2.75%. This line of credit is secured by substantially all of the Corporation's assets. At June 30, 2012 and 2011, respectively, the balance outstanding on the line of credit was \$4,762,789 and \$0.

The Corporation has entered into a revolving line of credit, with TD Banknorth, N.A., which provides borrowings up to \$25,000,000, due December 31, 2013. Payments of interest only are due monthly at a rate of the one-month LIBOR plus 2.75%. The interest rate will be adjusted based on a review of the Corporation's quarterly financial statements to the one-month LIBOR plus 2.50% if days cash on hand is greater than 50 days, or to the one-month LIBOR plus 2.25% if days cash on hand is greater than 70 days. The interest rate at June 30, 2012, was 2.75%. This line of credit is secured by substantially all of the Corporation's assets. At June 30, 2012 and 2011, respectively, the balance outstanding on the line of credit was \$12,665,471 and \$14,897,529.

### Notes to Consolidated Financial Statements June 30, 2012 and 2011

#### Note 10: Long-Term Debt

	2012	2011
Revenue bonds (A)	\$ 43,150,000	\$ 44,390,000
Revenue bonds (B)	21,370,000	22,720,000
Revenue bonds (C)	2,465,000	2,535,000
Revenue bonds (D)	7,660,000	7,880,000
Revenue bonds (E)	55,605,000	55,935,000
Mortgage note payable (F)	732,386	751,152
Mortgage note payable (G)	685,226	702,038
Note payable (H)	2,901,451	3,324,604
Note payable (I)	2,113,628	2,421,884
Other (J)	54,049	106,611
Capital lease obligations (K)	15,969,582	2,590,541
	152,706,322	143,356,830
Less net discount on bonds	176.292	180,088
Less current maturities	6,612,369	4,943,514
	\$ 145,917,661	\$ 138,233,228

- (A) Maine Health and Higher Educational Facilities Authority Fixed Rate Revenue Bonds. Central Maine Medical Center Issue. Series 2003A, interest rates ranging from 2.5% to 5.0%. The bonds are collateralized by CMMC's pledge of gross revenues and property. The bonds are payable in annual installments through July 1, 2032.
- (B) Maine Health and Higher Educational Facilities Authority Fixed Rate Revenue Bonds. Central Maine Medical Center Issue, Series 2005B, interest rates ranging from 3 5% to 5 0%. The bonds are collateralized by CMMC's pledge of gross revenues and property. The bonds are payable in annual installments through July 1, 2030.
- (C) Maine Health and Higher Educational Facilities Authority Fixed Rate Revenue Bonds. Rumford Community Home Issue. Series 2001A, interest rates ranging from 3 45% to 5 25%. The bonds are collateralized by Rumford's pledge of gross revenues and property. The bonds are payable in annual installments through July 1, 2031. CMHC as the parent, is also guarantor of these revenue bonds.
- (D) Maine Health and Higher Educational Facilities Authority Fixed Rate Revenue Bonds. Bridgton Hospital Issue, Series 2001A, interest rates ranging from 3 45% to 5 25%. The bonds are collateralized by Bridgton's pledge of gross revenues and property. The bonds are payable in annual installments through July 1, 2031. CMHC as the parent, is also guarantor of these revenue bonds.

### Notes to Consolidated Financial Statements June 30, 2012 and 2011

- (E) Maine Health and Higher Educational Facilities Authority Fixed Rate Revenue Bonds. Central Maine Medical Center Issue, Series 2009A, interest rates ranging from 2 00% to 5 12% The bonds are collateralized by CMHC's and CMMC's pledge of gross revenues and property. The bonds are payable in annual installments through July 1, 2039
- (F) US Department of Agriculture, Rural Development mortgage notes payable due in monthly installments of principal and interest through December 2037, with interest rates at 4 88% and 5 00%, secured by Bridgton's assets and a pledge of future gross revenues
- (G) US Department of Agriculture. Rural Development mortgage note payable due in monthly installments of principal and interest through May 2036, with interest rate of 4 50%. This mortgage note payable is secured by Rumford's assets and a pledge of future gross revenues.
- (H) Note payable to Mechanic Savings Bank, with interest payments at 30-day LIBOR plus 1 65%, due November 12, 2018, secured by real estate The interest rate at June 30, 2012 and 2011, was 1 89% and 1 84%, respectively
- (I) Note payable to Mechanic Savings Bank, with interest payments at 30-day LIBOR plus 1 65%, due November 12, 2018, secured by real estate The interest rate at June 30, 2012 and 2011, was 1 89% and 1 84%, respectively
- (J) Note payable to a private individual, due in quarterly installments of principal and interest through July 1, 2013, secured by real estate. The interest rate on the note payable is 2.8%
- (K) At varying rates of imputed interest from 1 42% to 10 10%, due through 2019, collateralized by property and equipment. During the year ended June 30, 2012, the Corporation entered into a capital lease for their new computer system in the amount of \$16,378,543 (see *Note 21*)

Aggregate annual maturities and sinking fund requirements of long-term debt and payments on capital lease obligations at June 30, 2012, are

2013	\$ 6,612,369
2014	7,173,848
2015	7,022,302
2016	6,926,817
2017	7,128,635
Thereafter	117,842,351
	\$ 152,706,322

Notes to Consolidated Financial Statements
June 30, 2012 and 2011

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

Temporarily restricted net assets are available for the following purposes

	2012	2011
Cardiac care	\$ 274.525	\$ 288,070
Healthcare services	3,925,238	3,264,095
Research	1.742	1.742
	2,882,176	2,647,452
Purchase of capital		
Charity care	586,914	676,453
Health education	1.071.364	1,453,718
Family practice	611,492	643,429
	\$ 9,353,451	\$ 8.974.959
Permanently restricted net assets are restricted to		
	2012	2011
Investments to be held in perpetuity.		
the income is unrestricted	\$ 5,451,460	\$ 5,525,020
Investments to be held in perpetuity.		
the income is restricted	13,181,560	12,495,753
	\$ 18.633.020	\$ 18.020.773

During 2012 and 2011, net assets were released from donor restrictions by incurring expenses, satisfying the restricted purposes in the amounts of \$1.626.049 and \$1.493.862, respectively. During 2012 and 2011, net assets of \$10.500 and \$34.323, respectively, were released to purchase equipment

#### Note 12: Endowment

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

### Notes to Consolidated Financial Statements June 30, 2012 and 2011

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

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

The composition of net assets by type of endowment fund at June 30, 2012 and 2011, was

		20	12	
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds Board designated endowment funds	\$ - 5,008,669	\$ 1.149.274 	\$ 17.465.621 	\$ 18.614.895 5.008.669
	\$ 5,008,669	\$ 1,149,274	\$ 17,465,621	\$ 23,623,564
		20	11	
		20	11	
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds Board designated endowment funds	Unrestricted \$ - 5.547,307	Temporarily	Permanently	Total \$ 18.687,473 5.547,307

### Notes to Consolidated Financial Statements June 30, 2012 and 2011

Changes in endowment net assets for the years ended June 30, 2012 and 2011, were

	2012							
	Ur	nrestricted		emporarily estricted		ermanently Restricted		Total
Endowment net assets.								
beginning of year	\$	5,547,307	\$	1,907,927	\$	16,779,545	\$	24,234,779
Contributions		2,700		-		686,076		688,776
Total investment return		(291,709)		(349,725)		_		(641,434)
Appropriation of endowment assets								
for expenditure		(249,629)		(408,928)				(658,557)
Endowment net assets, end of year	\$	5,008,669	\$	1,149,274		17,465,621	\$	23,623,564

	2011							
	Uı	nrestricted		emporarily lestricted		ermanently Restricted		Total
Endowment net assets.								
beginning of year	\$	4,909,514	\$	(300,446)	\$	16,155,000	\$	20,764,068
Contributions		650		-		624,546		625,196
Total investment return		854,216		2,555,866		-		3,410,082
Appropriation of endowment assets								
for expenditure		(217,073)		(347,493)				(564,566)
Endowment net assets, end of year	\$	5,547,307	\$	1,907,927	\$	16,779,546	\$	24,234,780

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

### Notes to Consolidated Financial Statements June 30, 2012 and 2011

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

The Corporation has a policy (the spending policy) of appropriating for expenditure each year 4 5% of its endowment fund's average fair value as measured on July 1 of the new fiscal year. In establishing this policy, the Corporation considered the long-term expected return on its endowment. Accordingly, over the long term, the Corporation expects the current spending policy to allow its endowment to grow at an average of 8% annually. This is consistent with the Corporation's objective to maintain the purchasing power of endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment return.

#### Note 13: Charity Care

The costs of charity care provided under the Corporation's charity care policy were \$10.519.686 and \$7.668.239 for 2012 and 2011, respectively. The cost of charity care is estimated by applying the ratio of cost to gross charges to the gross uncompensated charges.

#### **Note 14: Functional Expenses**

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

	2012	2011
Health care services General and administrative	\$ 352,518,013 69,175,610	\$ 326.652.098 76.987.001
	\$ 421.693.623	\$ 403,639,099

#### Note 15: Pension Plan

The CMHC and certain affiliates have a contributory defined benefit pension plan covering all employees who meet the eligibility requirements. Effective December 31, 2001, Rumford merged into the CMHC plan. The funding policy is to make the minimum annual contribution that is required by applicable regulations, plus such amounts as CMHC may determine to be appropriate from time to time. CMHC expects to contribute \$2,220,000 to the plan in 2013.

### Notes to Consolidated Financial Statements June 30, 2012 and 2011

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

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

	2012	2011
Benefit obligation Fair value of plan assets	\$ 141,233,228 91,643,645	\$ 112.241.658 89.773.247
Funded status	\$ (49,589,583)	\$ (22,468,411)
Liabilities recognized in the balance sheets	2012	2011
Noncurrent liabilities	\$ 49,589,583	\$ 22,468,411
Amounts recognized in unrestricted net assets not yet recognize benefit cost consist of	zed as components o	f net periodic 2011
Net loss	\$ (54,923,065)	\$ (24,549,933)
Information for pension plans with an accumulated benefit ob	ligation in excess of 2012	plan assets 2011
Projected benefit obligation	\$ 141,233,228	\$ 112,241,658
Accumulated benefit obligation	\$ 141,233,228	\$ 112,241,658
Fair value of plan assets	\$ 91,643,645	\$ 89.773.247

### Notes to Consolidated Financial Statements June 30, 2012 and 2011

Other significant balances and costs are

	2012		2011	
Employer contributions	\$	3,594,395	\$	16,100,000
Participant contributions	\$	-	\$	1,613,843
Benefits paid	\$	(4,481,647)	\$	(3,980,477)
Benefit costs	\$	342,436	\$	5,450,046

Other changes in plan assets and benefit obligations recognized in the statements of operations and changes in net assets for the years ended June 30, 2012 and 2011

	2012	2011
Amounts arising during the period		
Actuarial (gain) loss	\$ 27,259,248	\$ (2,374,479)
Curtailment gain	-	(13,778,957)
Actual return on plan assets	(2,757,650)	(10,701,558)
Expected return on plan assets	6,993,232	5,908,988
Net (gain) loss	\$ 31,494,830	\$ (20,946,006)
Amounts reclassified as components of net periodic		
benefit cost of the year		
Net loss	\$ 1,121,698	\$ 2,174,852
Net prior service cost	-	652,975

The estimated net loss for the defined benefit pension plan will be amortized into net periodic benefit cost over the next fiscal year is \$3,560,187

Significant assumptions include

	2012	2011
Weighted average assumptions used to determine benefit obligations  Discount rate	4 11%	5 62%
Weighted average assumptions used to determine benefit costs  Discount rate  Expected return on plan assets	5 62% 8 50%	5 72% 8 50%

### Notes to Consolidated Financial Statements June 30, 2012 and 2011

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

CMHC's overall investment strategy is to diversify investments among asset classes and management strategies in an attempt to minimize volatility while ensuring that a sufficient pool of assets is maintained at all times to meet the plan's current and future benefit obligations. The target asset allocation percentages for 2012 and 2011 are as follows

	2012	2011
Fixed income securities	33%	33%
Equity securities	67%	67%
Private limited partnerships	0%	0%
Total	100%	100%

#### Pension Plan Assets

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

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

### Notes to Consolidated Financial Statements June 30, 2012 and 2011

The fair values of CMHC's pension plan assets at June 30, 2012 and 2011, by asset class are as follows

Cash and cash equivalents Fixed income securities

Private limited partnerships

Total

Equity securities

2012	
<b>Fair Value Measurements</b>	Using

Total Fair Value		P Ma Id	Quoted rices in Active rkets for dentical Assets _evel 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		
\$	343,442	\$	343,442	\$ -	\$	-	
	19,287,489		-	19,287,489		-	
•	71,624,599		-	71,624,599		-	
	388,115					388,115	
\$ 9	01,643,645	\$	343,442	\$ 90,912,088	\$	388,115	

2011 Fair Value Measurements Using

	Total Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Cash and cash equivalents Fixed income securities Equity securities Private limited partnerships	\$ 1.304.843 28,981.551 59,039,568 447,285	\$ 1,304,843 - - -	\$ - 28,981,551 59,039,568	\$ - - 447.285	
Total	\$ 89,773,247	\$ 1,304,843	\$ 88,021,119	\$ 447,285	

Notes to Consolidated Financial Statements
June 30, 2012 and 2011

Fair Value Measurements Using Significant Unobservable Inputs (Level 3)

	- 0		•		` '	
	 Equity Securities	Pa	Private Limited rtnerships	Total		
Balance at July 1, 2010	\$ 8,433,683	\$	8,719,345	\$	17,153,028	
Actual return on plan assets						
Relating to assets still held at the reporting date	-		62,015		62,015	
Relating to assets still sold during the period	299,835		325,160		624,995	
Purchases, sales and settlements	 (8,733,518)		(8,659,235)		(17,392,753)	
Balance at June 30, 2011	-		447,285		447,285	
Actual return on plan assets						
Relating to assets still held at the reporting date Relating to assets still sold	-		(21,876)		(21,876)	
during the period	-		(11,015)		(11,015)	
Purchases, sales and settlements	 		(26,279)	_	(26,279)	
Balance June 30, 2012	\$ 	\$	388,115	\$	388,115	

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

### Notes to Consolidated Financial Statements June 30, 2012 and 2011

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid as of June 30, 2012

2013	\$ 3,645,521
2014	4,134,657
2015	4,647,378
2016	5,126,631
2017	5,573,173
2018-2021	34,714,186

#### **Defined Contribution Plan**

Effective July 1, 2012, all employees previously covered under the defined benefit pension plan are now eligible to start accruing benefits under the 403(b) defined contribution plan. Prior to July 1, 2012, only Bridgton employees were participants in the defined contribution plan. This plan covers substantially all employees, and the Corporation matches employee contributions into the plan up to 2.5% of an employee's annual salary. Amounts contributed by the Corporation vest at 20% for each year of service until 100% vested after five years of service. Pension expense to the plan was \$4,208,108 and \$265,836 for 2012 and 2011, respectively

#### Deferred Compensation Plan

The Corporation funds a deferred compensation plan 457(f) and 457(b) for the benefit of certain senior executives. The trust accounts assets are classified as other assets and a corresponding deferred compensation obligation has been recorded by the Corporation in the amount of \$8.877.550 and \$9.198.370 at June 30, 2012 and 2011, respectively

The Corporation also funds a secured executive benefit plan for certain employees. Under this plan the Corporation purchases a life insurance policy for key members of management. Upon termination of the plan the Corporation will receive the premium payments, paid by the Corporation over the life of the policy and the employees will receive the amounts in excess of the premium payments to the Corporation. At June 30, 2012 and 2011, respectively, the Corporation had recorded investments of \$15,919,747 and \$15,192,852 included in deferred compensation assets.

Notes to Consolidated Financial Statements
June 30, 2012 and 2011

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

ASC Topic 820. Fair Value Measurements defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Topic 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value.

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

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

#### Cash Equivalents and Investments

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

Notes to Consolidated Financial Statements
June 30, 2012 and 2011

#### Charitable Remainder Trusts

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

The following table presents the fair value measurements of assets recognized in the accompanying balance sheets measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2012 and 2011

		Fair Value Measurements Using						
	 Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)		Significant Other Observable Inputs (Level 2)		Significant Unobservable Inputs (Level 3)		
June 30, 2012								
Cash equivalents	\$ 89,942,271	\$	89,915,736	\$	26,535	\$	-	
Fixed income securities	4,855,053		4,855,053		_		_	
Equity securities	5,444,336		5,444,336		-		_	
Private limited partnerships	10,642,769		_		-		10,642,769	
Charitable remainder trusts	1,168,135		-		1,168,135		-	
Mutual funds	7,570,898		7,570,898		-		-	
June 30, 2011								
Cash equivalents	\$ 45,027,366	\$	43,956,969	\$	1,070,397	\$	_	
Fixed income securities	34,240,711		5,641,657	2	28,599,054		-	
Equity securities	35,328,270		33,908,253		1,420,017		-	
Private limited partnerships	12,801,803		-		-		12,801,803	
Charitable remainder trusts	1,241,965		-		1,241,965		-	
Mutual funds	7,946,327		1,304,768		6,641,559		-	

### Notes to Consolidated Financial Statements June 30, 2012 and 2011

The following is a reconciliation of the beginning and ending balances of recurring fair value measurements recognized in the accompanying balance sheets using significant unobservable (Level 3) inputs

### Fair Value Measurements Using Significant Unobservable Inputs (Level 3)

	Pri	ivate Equity Funds
Balance at July 1, 2010	\$	13,624,593
Total realized and unrealized losses included		0.77.010
in other income (expense)		877,210
Purchases, sales and settlements		(1,700,000)
Balance at June 30, 2011		12,801,803
Total realized and unrealized losses included		
in other income (expense)		(252,934)
Purchases, sales and settlements		(1,906,100)
Balance at June 30, 2012	\$	10,642,769

Realized and unrealized gains and losses included in change in net assets for the period from July 1, 2010, through June 30, 2012, are reported in the statements of operations and changes in net assets as follows

	2012			2011		
	Excess of Revenues Over Expenses	Changes ir Net Assets	R	xcess of evenues Over xpenses	Chanç Net A	-
Change in unrealized gains or losses relating to assets still held at the balance sheet date	\$ (252,934)	\$ -	\$	877,210	\$	_

The following methods were used to estimate the fair value of all other financial instruments recognized in the accompanying balance sheets at amounts other than fair value

### Notes to Consolidated Financial Statements June 30, 2012 and 2011

#### Cash and Cash Equivalents

The carrying amount approximates fair value

#### Notes Receivable

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

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

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

#### Defined Compensation Plan Assets

The carrying amount approximates fair value

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

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

The following table presents estimated fair values of the Corporation's financial instruments not previously disclosed at June 30, 2012 and 2011

	20	12	2011		
	Carrying		Carrying		
	Amount	Fair Value	Amount	Fair Value	
Financial Assets					
Cash and cash equivalents	\$ 27,308,135	\$ 27,308,135	\$ 22,482,931	\$ 22,482,931	
Estimated amounts due from					
third-party payers	49,177,989	49,177,989	39,581,463	39,581,463	
Notes receivable	4,790,969	4,790,969	5,513,444	5,513,444	
Deferred compensation plan assets	25,151,715	25,151,715	24,750,264	24,750,264	
Financial Liabilities					
Line of credit	17,428,260	17,428,260	14,897,529	14,897,529	
Long-term debt	152,530,030	159,318,324	143,176,742	145,444,830	

### Notes to Consolidated Financial Statements June 30, 2012 and 2011

#### Note 17: The Fair Value Option

As permitted by Topic 825, the Corporation has elected to measure its internally designated assets limited as to use and short-term investments at fair value. Management has elected the fair value option for these items because it more accurately reflects the portfolio returns and financial positions of the Corporation. Total investments at June 30, 2012 and 2011, are \$41,554,255 and \$52,286,475, respectively.

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

#### Changes in Fair Value

Changes in fair value for items for which the fair value option has been elected are reported as investment return in other income (expense) in the financial statements. The change for 2012 and 2011 was a decrease of \$3,130,284 and an increase of \$4,313,611, respectively, which reflects all investment return amounts from short-term investments and internally designated investments.

#### Note 18: Asset Retirement Obligation

Accounting principles generally accepted in the United States of America require that an asset retirement obligation (ARO) associated with the retirement of a tangible long-lived asset be recognized as a liability in the period in which it is incurred or becomes determinable (as defined by the standard) even when the timing and/or method of settlement may be conditional on a future event. The Corporation's conditional asset retirement obligations relate to environmental hazards contained in buildings that the Corporation owns. Environmental regulations exist that require the Corporation to handle and dispose of environmental hazards in a special manner if a building undergoes major renovations or is demolished.

A summary of changes in asset retirement obligations for the years ended June 30, 2012 and 2011, is included in the table below

	2012	2011
Liability, beginning of year Liabilities settled Accretion expense	\$ 2.781.372 (138.680) 187.187	\$ 2.746.243 (141.463) 176.592
	\$ 2.829.879	\$ 2,781,372

### Notes to Consolidated Financial Statements June 30, 2012 and 2011

#### Note 19: Significant Estimates and Concentrations

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

#### Allowance for Net Patient Service Revenue Adjustments

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

#### Self-Insured Malpractice, Workers' Compensation and Employee Health Claims

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

#### Litigation

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

#### Asset Retirement Obligation

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

#### Pension Benefit Obligations

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

### Notes to Consolidated Financial Statements June 30, 2012 and 2011

#### Investments

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

#### Notes and Other Receivables

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

#### **Current Economic Conditions**

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

Current economic conditions, including the rising unemployment rate, have made it difficult for certain of our patients to pay for services rendered. As employers make adjustments to health insurance plans or more patients become unemployed, services provided to self-pay and other payers may significantly impact net patient service revenue, which could have an adverse impact on the Corporation's future operating results. Further, the effect of economic conditions on the state may have an adverse effect on cash flows related to the Medicaid program.

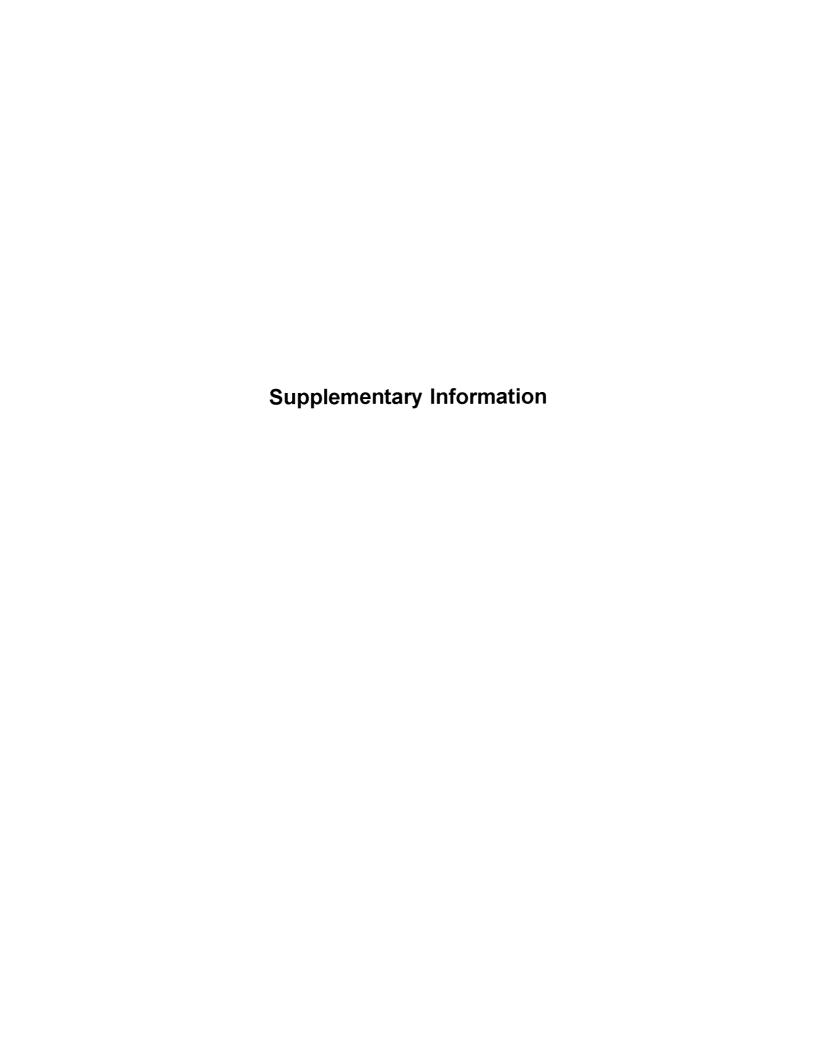
Given the volatility of current economic conditions, the values of assets and liabilities recorded in the financial statements could change rapidly, resulting in material future adjustments in investment values (including defined benefit pension plan investments) and allowances for accounts and contributions receivable that could negatively impact the Corporation's ability to meet debt covenants or maintain sufficient liquidity

Notes to Consolidated Financial Statements
June 30, 2012 and 2011

#### Note 20: Information Technology Commitments

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

2013	\$	1,318,948
2014		1,318,948
2015		1,318,948
2016		1,318,948
2017		1,318,948
2018		659,474
	'	
	\$	7,254,214



## Consolidating Schedule – Balance Sheet Information June 30, 2012

	Central Maine Healthcare Corporation (Parent)			Central Maine Medical Center		Central Maine Health Ventures, Inc. Consolidated		
Assets								
Current Assets								
Cash and cash equivalents	\$	33,465,157	\$	31.251	\$	3.958.925		
Assets limited as to use - current		82,592		5,660,225		-		
Assets limited as to use held by trustee								
for bond project fund - current		-		-		-		
Patient accounts receivable, net of								
allowance, \$39.805,000		-		33,793,183		-		
Short-term investments		9,193,929		5.951.809		72,060		
Estimated amounts due from								
third-party payers - current		-		11.450.936		-		
Supplies		-		2,558,455		21.529		
Prepaid expenses and other		2,723,955		4.814.532		641,952		
Due from affiliates		-		5.013.855		-		
Total current assets		45,465,633		69.274.246		4,694,466		
Assets Limited As To Use								
Internally designated		19,363,350		_		_		
Externally restricted by donors		20,450,862		1,904,254		_		
Held by trustee under bond indenture		20,130,002		15,790,114		_		
Held by trustee for self-insurance trust		5,350,616		4,770,870		_		
		45,164,828		22,465,238		_		
Less amount required to meet								
current obligations		82,592		5,660,225		_		
C		45,082,236		16,805,013		-		
Property and Equipment, Net		19.851.713		156,041,664		1,661,147		
Other Assets								
Estimated amounts due from								
third-party payers		-		36,000,077		-		
Interest in net assets of CMHC		=		21,725,351		=		
Deferred compensation plan assets		20,753,916		2,422,283		1.975.516		
Investment in equity investees		498,645		3.008,478		1.712.339		
Notes receivable		4,790,969		-		-		
Other		15,616,313		8,155,683		5,496,469		
		41,659,843		71,311,872		9,184,324		
Total assets	\$	152,059,425	\$	313.432.795	\$	15,539,937		

CWM Insurance Ltd.		Other Central Maine Affiliates	Rumford Hospital and Affiliates	Bridgton Hospital	Eliminations and Reclassifications	Central Maine Healthcare Corporation Consolidated
\$	26.995.679	\$ -	\$ 67.745	\$ 16.164.029	\$ (53.374.651)	\$ 27.308.135
	4.714.813	-	187.546	429,033	-	11,074,209
	-	-	-	-	-	-
	_	_	4,113,592	5,782,687	_	43,689,462
	-	_	255.238	510,454	-	15.983.490
			2 112 627	111172	.000.022	12 177 012
	-	-	2.113.627 237.906	414.172 307.630	(800,823)	13.177.912 3.125.520
	- 2,472,175	115.698	330,534	303,516	-	3,125,320 11,402,362
	2,472,173	-	2,089,682	19.765	(7,123,302)	-
	34,182,667	115,698	9,395,870	23,931,286	(61.298.776)	125,761,090
			2.510.210	2 (02 0 (0		27.770.77
	-	5.245	2.519.310	3,682,860	-	25,570,765
	-	-	1,021,547 391,802	3,388,228 1,242,292	-	26,764,891 17,424,208
	14.526.651	-	391.802	1,242,292	-	24,648,137
	14.526.651	5.245	3.932.659	8.313.380	-	94,408,001
	4.714.813		187.546	429.033		11.074.209
	9,811,838	5.245	3,745,113	7,884,347		83,333,792
		1.787.715	13,897,030	16,113,457		209.352.726
	-	-	-	-	-	36,000,077
	-	-	-	-	(21,725,351)	-
	-	2.021.026	-	-	-	25.151.715 7.254.398
	-	2.034.936	<u>-</u>	-	- -	4,790,969
	-	- -	678.841	846,313	(19.842,364)	10.951.255
	-	2.034.936	678.841	846.313	(41.567.715)	84.148.414
\$	43.994.505	\$ 3,943,594	\$ 27.716.854	\$ 48,775,403	\$ (102.866.491)	\$ 502,596,022

## Consolidating Schedule – Balance Sheet Information June 30, 2012

	Central Maine Healthcare orporation (Parent)	Central Maine Medical Center	Ve	Central aine Health entures, Inc. onsolidated
Liabilities and Net Assets				
Current Liabilities				
Current maturities of long-term debt	\$ 82,592	\$ 5,660,225	\$	-
Accounts payable	2,663,457	8,005,506		99,263
Accrued expenses	5,204,434	18,451,835		434,920
Cash overdraft	-	51,111,276		-
Due to affiliates	6,984,220	-		139,082
Estimated amounts due to				
third-party payers	 	 -		800,823
Total current liabilities	14,934,703	83,228,842		1,474,088
<b>Estimated Self-Insurance Costs</b>	383,068	1.496.884		-
Line of Credit	15.338.017	2,090,243		-
Long-Term Debt	84.958	132,335,006		-
Pension Liabilities	42.647.041	3.967.167		-
Asset Retirement Obligations	-	1.927.151		-
Other Long-Term Liabilities	 8,196,692	-		354,423
Total liabilities	 81.584.479	 225.045.293		1.828.511
Net Assets				
Unrestricted	48,456,885	64,762,732		-
Temporarily restricted	6,141,696	5.870.574		-
Permanently restricted	15,876,365	17,754,196		-
Partners' capital	-	-		-
Paıd-ın capıtal	-	-		43,544,129
Unrealized losses on investments	-	-		(12,163,375)
Retained earnings (deficit)	 	 -		(17.669.328)
Total net assets	 70,474,946	 88.387.502		13.711.426
Total liabilities and net				
assets	\$ 152,059,425	\$ 313,432,795	\$	15,539,937

CWM Insurance Ltd.		Other Central Maine Affiliates	Rumford Hospital and Bridgton Affiliates Hospital		Eliminations and Reclassifications	Central Maine Healthcare Corporation Consolidated	
\$	-	\$ -	\$ 234,723	\$ 634.829	\$ -	\$ 6.612.369	
	449,301	41.647	667.659	719.413	-	12.646.246	
	-	204,176	1.848.239	1.920,676		28,064,280	
	-	2.263.375	-	-	(53.374.651) (7.123.302)	-	
	-	-	-	-	(7.123.302)	-	
	_	-	-	-	(800,823)	-	
	449,301	2,509,198	2,750,621	3.274.918	(61.298.776)	47.322.895	
	14,434,964	-	-	-	-	16.314.916	
	-	-	-	-	-	17.428.260	
	-	-	4.045.245	9.452.452	-	145.917.661	
	-	-	2,975,375	-	-	49.589.583	
	-	-	373.593	529,135	-	2.829.879	
						8.551.115	
	14.884.265	2.509,198	10,144,834	13,256,505	(61,298,776)	287.954.309	
						40.4.4.	
	-	(370,232)	17.065.715	31.956.212	24,783,930	186,655,242	
	-	-	251.730 254.575	2.449.681 1.113.005	(5.360.230) (16.365.121)	9,353,451 18,633,020	
	50,000	_	234,373	1,115,005	(50,000)	18,033,020	
	4,400,000	3,721,669	_	_	(51,665,798)	<u>-</u>	
	-	-	-	-	12.163.375	-	
	24.660.240	(1.917.041)			(5.073.871)		
	29,110,240	1.434.396	17.572,020	35.518.898	(41,567,715)	214.641.713	
\$	43.994.505	\$ 3.943.594	\$ 27.716.854	\$ 48.775.403	\$ (102.866.491)	\$ 502.596.022	

#### Consolidating Schedule – Statement of Operations Information Year Ended June 30, 2012

	Central Maine Healthcare Corporation (Parent)	Central Maine Medical Center	Central Maine Health Ventures, Inc. Consolidated
Unrestricted Revenues, Gains and Other Support			
Net patient service revenue	\$ -	\$ 313.703.865	\$ 3,970,370
Other revenue	(29,903)	15.879.285	881.440
Net assets released from restrictions			
used for operations	1.520,624	45,131	
Total unrestricted revenues, gains and			
other support	1,490,721	329,628,281	4.851.810
Expenses and Losses			
Salaries, wages and employee benefits	794.258	182.852.236	4,306,119
Supplies and other	(93,528)	99,161,372	1,930,797
Depreciation and amortization	17.107	21,163,163	227,745
Interest	52,257	3,483,594	-
Provision for uncollectible accounts	269.318	26,517,986	(238,503)
Total expenses and losses	1.039.412	333,178,351	6.226.158
Operating Income (Loss)	451,309	(3.550.070)	(1.374.348)
Other Income (Expense)			
Investment return	1,094,002	125,459	2,159
Realized gains (losses) on sale of investments	831,640	270,578	-
Change in unrealized gains (losses) on investments	(1.505,765)	(212,924)	_
Gain (loss) on investment in	,	,	
equity investees	686,609	18.820	890,810
Other	(587.584)	71.958	(6,457)
Total other income (expense)	518.902	273.891	886.512
Excess (Deficiency) of Revenues Over Expenses	970.211	(3.276.179)	(487.836)
Net assets released from restriction used for			
purchase of property and equipment Grant funds used for acquisition of property	-	10,500	-
and equipment	45,000	25,000	_
Change in defined benefit pension plan gains and			
losses, prior service costs and curtailments	(30,315,568)		
Increase (Decrease) in Unrestricted Net Assets	\$ (29.300.357)	\$ (3.240.679)	\$ (487.836)

CWM Insurance Ltd.	Other Central Maine Affiliates	Rumford Hospital and Affiliates	Bridgton Hospital	Eliminations and Reclassification	Central Maine Healthcare Corporation Consolidated
\$ - 10,445,428	\$ - 742.749	\$ 40.466.895 969.524	\$ 46,333,771 877,638	\$ - (10.416.939)	\$ 404,474,901 19,349,222
		6.058	54.236		1.626.049
10.445.428	742.749	41.442.477	47.265.645	(10.416.939)	425,450,172
2.903.770 - - -	451.817 469.123 52.929	25.374.370 11.891.227 1.360.168 186.519 3.341.538	24.854.119 13.681.666 1.408.950 491.982 5.198.463	(10.420.169) - 3.230	238.632.919 119.524.258 24.230.062 4.217.582 35.088.802
2.903.770	973.869	42,153,822	45,635,180	(10.416.939)	421.693.623
7.541.658	(231,120)	(711,345)	1.630.465		3.756.549
290.086 1.127.831 (1.106.112)	- - -	72.999 33.017 (126.633)	83.859 45.416 (178.850)	- - -	1.668.564 2.308.482 (3.130.284)
(32.550)	295,919	(19.014)	- 99.917_	<u>-</u>	1.892.158 (473.730)
279.255	295.919	(39.631)	50,342	-	2.265,190
7.820,913	64.799	(750.976)	1.680.807	-	6.021,739
-	-	-	-	-	10,500
-	-	91.399	2,000	-	163,399
					(30.315.568)
\$ 7.820.913	\$ 64.799	\$ (659.577)	\$ 1.682.807	\$ -	\$ (24,119,930)

#### Consolidating Schedule – Statement of Changes in Net Assets Information Year Ended June 30, 2012

	Central Maine Healthcare Corporation (Parent)	Central Maine Medical Center	Central Maine Health Ventures, Inc. Consolidated	
Unrestricted Net Assets			_	
Excess (deficiency) of revenues over expenses	\$ 970.211	\$ (3.276,179)	\$ (487.836)	
Net assets released from restriction used for		10.500		
purchase of property and equipment Grant funds used for acquisition of property	-	10,500	-	
and equipment	45,000	25,000		
Change in defined benefit pension plan gains and	45,000	25,000	_	
losses, prior service costs and curtailments	(30,315,568)			
Increase (decrease) in unrestricted				
net assets	(29,300,357)	(3.240.679)	(487,836)	
Temporarily Restricted Net Assets				
Contributions received	2,299,564	5.186	-	
Investment return	(715.542)	348,971	-	
Change in net assets of CMHC	-	324.670	-	
Net assets released from restriction	(1.520.624)	(55.631)		
Increase (decrease) in temporarily				
restricted net assets	63,398	623,196		
Permanently Restricted Net Assets				
Contributions received	16,120	669,587	-	
Change in beneficial interest of perpetual trusts	(63,172)	-	-	
Change in net assets of CMHC		(498.952)		
Increase (decrease) in permanently				
restricted net assets	(47,052)	170.635		
Change in Net Assets	(29.284.011)	(2.446.848)	(487.836)	
Net Assets, Beginning of Year	99.758.957	90,834,350	14.199.262	
Net Assets, End of Year	\$ 70,474,946	\$ 88.387.502	\$ 13.711.426	

CWM Insurance Ltd.	Other Central Maine Affiliates	Rumford Hospital and Affiliates	Bridgton Hospital	Eliminations and Reclassification	Central Maine Healthcare Corporation Consolidated
\$ 7.820.913	\$ 64.799	\$ (750.976)	\$ 1.680.807	\$ -	\$ 6.021.739
-	-	-		-	10,500
-	-	91.399	2,000	-	163.399
				<del>-</del>	(30.315.568)
7.820.913	64.799	(659.577)	1.682.807	<u> </u>	(24.119.930)
	-	16.430	72.840 (12.408)	-	2.394.020 (378.979)
		(6.058)	(54.236)	(324.670)	(1.636.549)
		10.372	6.196	(324.670)	378.492
- - -	- - -	270 (2.068)	100 (8.590)	- - 498.952	686.077 (73.830)
		(1.798)	(8.490)	498.952	612.247
7.820.913	64.799	(651,003)	1,680,513	174.282	(23,129,191)
21.289.327	1.369.597	18.223.023	33.838.385	(41.741.997)	237,770,904
\$ 29,110,240	\$ 1.434.396	\$ 17.572.020	\$ 35.518.898	\$ (41.567.715)	\$ 214.641.713